

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

SECURITY INFORMATION

COUNTRY	Italy	REPORT NO.	CS -9875
SUBJECT	Effects of International Events on Italian Jewish Circles	DATE EXIR	15 May 1953
		NO. OF PAGES	2
DATE OF INFO.	20 March 1953	REQUIREMENT NO.	RD
PLACE ACQUIRED	(24 March 1953)	REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(SEE REF FOR REVISIONS)

SOURCE: A usually reliable individual with good contacts in Italian Jewish circles (B).
Appraisal of Contents: 6.

The following report deals with the effect of the death of Stalin, as well as other recent international developments, on the thinking of Italian Jewish circles. The report is disseminated as background material, a link in the development of Italian Jewish opinion. It is outdated in that such opinion cannot be expected to remain static in view of more recent international developments.

1. The death of Stalin has contributed to the uncertainty which developed in Italian Jewish circles as a result of recent international events. Especially since the war, Jewish people had considered Stalin as one of the principal defenders of the Hebrew nation. They had done so in spite of their political opinions, and in spite of certain reservations about him. Italian Jews held a different opinion of Malenkov. They believed that he and his supporters represented the old Russian anti-Semitism and felt that under Malenkov's administration, the Soviet policy of anti-Semitism would be accentuated.
2. The breaking off of diplomatic relations between the USSR and Israel had a more profound effect on Italian Jews than did the Szeanski trial or the accusation of the Jewish physicians in Moscow. Even Jews who do not want to live in Palestine feel a certain political and moral tie with the State of Israel. The termination of diplomatic relations has been interpreted as the adoption by the USSR of an openly anti-Semitic policy. This breach of diplomatic relations, rather than prior events, changed the attitude of the majority of the Jews who previously supported the request for clemency for the Rosenbergs. Most of the Jews now feel that the Rosenbergs should be punished as enemies.
3. Anti-Soviet feeling is very strong among Orthodox Jews and those in sympathy with the present Italian Government or the Rightist opposition. Hostility toward Jewish Communists and Jews politically collaborating with the Soviets and the Satellites has increased.

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~~TOP SECRET~~

PAGE:0660

NR

US COOPERATION WITH ISRAEL IN SPACE-RELATED AREAS, INCLUDING THE STRATEGIC DEFENSE INITIATIVE, WILL PROBABLY COMPLICATE US RELATIONS WITH ARAB STATES. THIS WILL CERTAINLY BE THE CASE IF THE UNITED STATES DENIES ARAB REQUESTS FOR SIMILAR DUAL-USE SPACE TECHNOLOGY OR ATTEMPTS TO DISSUADE OTHER COUNTRIES

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
1 August 1967

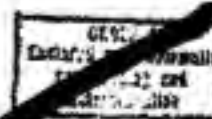
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MEMORANDUM

The Arab Boycott - A Study in Quiescensmanship

1. For many years, the Arab countries have boycotted firms, persons, and even individual ships that have done business with Israel. At least 700 Western firms are on the boycott list, including some 200 from the US. Recommendations for inclusion or deletion are made by the Central Office for the Boycott of Israel, which operates under the Arab League and which has its headquarters in Damascus. Representatives of the Boycott Offices in the Arab states meet periodically. The most recent meeting was held 15 July 1967 in Alexandria.
2. In theory, the Arab states boycott anyone contributing to Israel's economic strength. Firms are placed on the boycott list if they are owned by Jews or do business with Israel. Individuals are placed on the list for actions deemed pro-Jewish. Not all firms and individuals which appear to meet these criteria are actually placed on the list. Moreover, action against firms or individuals on the list is left to the individual Arab countries. Implementation is often hit or miss. In practice, the Arab countries are careful not to enforce a boycott which would do them serious economic damage. A sure way to get on the list is to build a plant in Israel. Sophia Loren is on the list because she made an allegedly pro-Israeli film and Frank Sinatra because of his participation in Israeli bond drives.
3. The firms boycotted engage in a wide variety of economic activity. The bulk of them are involved in shipping or trade, but some major manufacturing firms are included. Among the larger US concerns blacklisted are Ford, Sears Roebuck, Kaiser Industries, RCA, and Coca Cola. In no instance, however, has any Arab country cut itself off from the only major supplier of essential or especially desirable commodities for any extended period of time.

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4. The Arab boycott has not been applied against major banking firms. Some effort was made in 1966 to boycott the Chase Manhattan Bank, but this abortive effort had no significant effect on Chase's operations in the Middle East. Egyptian reluctance to lose the lending facilities of Chase Manhattan was in large part responsible for the failure of this effort. Egypt supported the boycott publicly, but opposed it at a meeting of the Boycott Office. A Saudi official stated that considerations of public service precluded placing Chase on the list.

5. Restrictions were not imposed on air transport firms until the outbreak of the recent Arab-Israeli War. The US airlines operating in the Middle East are TWA and Pan American; TWA calls at Tel Aviv (PanAm does not) as well as Cairo and other Middle Eastern cities. When the war broke out, most of the airports in the Middle East were closed to these companies, but this restriction has now been lifted in most instances. Only Cairo and Algiers remain closed. This situation rose more out of the war and the breaks in US-Arab relations than out of the boycott per se.

6. Prior to hostilities, use of the Suez Canal was denied to any ship or shipping line dealing with Israel. The ban applied to Israeli flag ships or to vessels carrying cargo to or from Israeli ports. With an occasional exception for passenger cruise vessels whose owners agreed to special measures such as sealed hatches, this Egyptian denial of the Canal was totally effective. At present, the Canal is of course obstructed by sunken vessels and closed.

7. With the outbreak of hostilities, some effort was made to boycott all US and UK goods in the Arab countries. This action has not been successful except possibly in Syria. US and UK flag ships, however, are not being unloaded in Algeria, the UAR, Lebanon, Syria, and Libya. In Lebanon and Libya, the embargo is imposed by unions rather than by the government. This action has resulted in some curtailment of trade with the US and the UK.

8. The boycott has been honored more in the breach than in the observance. Individual countries have refused to accept some of the recommendations of the Central Office, dummy companies have been created to circumvent many of the restrictions, and frequently the boycott rules are simply ignored. The boycott appears to have been most stringently applied by Syria and, to a lesser extent, by Iraq.

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9. With the heightened tensions of the Arab-Israeli War, a considerable stiffening of the Arab attitude toward the boycott became apparent. Already, however, some relaxation is appearing in Lebanon, Saudi Arabia, and in other moderate Arab countries. Even Egypt is continuing to purchase US and UK items either directly or through third parties. Over the next few months, nearly all of the Arab countries will probably find some means to circumvent the boycott regulations to the extent that they want the good involved, although continuing to proclaim their compliance publicly.

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COUNTRY ISRAEL/ARAB STATES

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DOI

SUBJECT VIEWS [REDACTED] ON
THE REFUGEE PROBLEM

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FIELD NO.

SOURCE

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1. THERE IS EVERY REASON TO BE VERY OPTIMISTIC ON THE QUESTION OF THE ARAB REFUGEES, WITH THE REFUGEE PROBLEM BEING SOLVED ONCE AND FOR ALL AND THIS POLITICAL CANCER BEING REMOVED FROM ARAB-ISRAELI AFFAIRS. BEYOND THIS, THE SUCCESSFUL HANDLING OF "CAPTIVE" POPULATIONS PROVIDES A UNIQUE OPPORTUNITY TO PROVE TO THE ARAB NATIONS, ACROSS BORDERS AND CEASE-FIRE LINES, THAT THE ISRAELIS ARE NOT JUST FIGHTERS BUT ALSO BUILDERS. [REDACTED] MANY ARABS IN NABLUS, TULKAREM, AND THE OLD CITY ARE FED UP WITH THE HASHEMITE REGIME AND ARE WILLING TO COOPERATE WITH THE ISRAELIS, PROVIDED THEY CAN BE GIVEN SOME HOPE THAT ANY ACCOMPLISHMENTS WILL

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NOT BE DESTROYED OR THAT, AFTER COOPERATION, THEY WILL NOT BE HANDED OVER TO ARAB EXTREMISTS, AS HAPPENED AFTER THE SINAI CAMPAIGN IN 1956.

2. A "NEW EPOCH" IS DAWNING. JORDAN'S KING HUSAYN DOES NOT MERIT RESPECT, AND IT IS DOUBTFUL WHETHER EGYPTIAN PRESIDENT NASIR WILL SURVIVE THE NEXT SIX MONTHS. THE SOVIETS WILL ATTEMPT TO SCARE THE ISRAELIS, BUT THEY CANNOT EFFECTIVELY ACT AGAINST THEM. THE GOVERNMENT OF ISRAEL (GOI) NEEDS ONLY CALL THEIR BLUFF, STAND FIRM, AND KEEP ITS NERVE. THEREAFTER, NEW ARAB REGIMES MUST APPEAR WHICH CAN APPROACH PROBLEMS REALISTICALLY. THEY MUST OF NECESSITY TURN TO THE WEST AND MAKE PEACE WITH ISRAEL.

3. IT IS NOW FAR TOO EARLY TO DISCUSS "ANNEXATION, AUTONOMOUS REGIONS, ETC." HOWEVER, THE ISRAELIS ARE EMOTIONAL TO THE POINT OF BEING IRRATIONAL (MESHUGA) OVER THE OLD CITY, SO ITS ABSORPTION PROBABLY CANNOT BE REVERSED. FOR THE PRESENT, SOMETHING MUST "BE LEFT TO GOD ALMIGHTY (SLOHIM)".

1.5(e)
3.4(b)(1)

4. DECISIONS GOVERNING GOI ACTIVITY IN NEW AREAS ARE MADE PRIMARILY BY A SERIES OF COMMITTEES SITTING IN JERUSALEM REPRESENTING ALMOST EVERY SECTOR: AGRICULTURE, WATER, BANKING, TRADE AND INDUSTRY, SECURITY, AND TRANSPORTATION, AMONG OTHERS. REGULAR MEETINGS OF COMMITTEE CHAIRMEN FOR OVERALL POLICY ARE

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PRESIDED OVER BY RAANAN WEITZ, FORMER MEMBER OF THE JEWISH AGENCY EXECUTIVE AND NOW, APPARENTLY, "COMMISSAR" FOR ORGANIZING NEW AREAS. ALL DECISIONS MUST BE VALIDATED BY GENERAL MOSHE DAYAN WHO, AS MINISTER OF DEFENSE, HAS OVERALL CONTROL THROUGH MILITARY GOVERNMENT MACHINERY AND ADMINISTRATION. GENERAL DAYAN'S HUMANITY, HIS DESIRE TO BE REALLY CONSTRUCTIVE, HIS ORIGINALITY, AND HIS COURAGE TO FOLLOW THROUGH ON DECISIONS ARE VERY IMPRESSIVE. WHILE IN THE PAST IT WAS DIFFICULT TO SEE EYE-TO-EYE WITH HIM, THERE IS REASON NOW TO BE IN FULL AGREEMENT WITH HIM.

5. THE MAIN PROBLEM AT THE MOMENT IS THAT OF ESTABLISHING BASIC INFORMATION ABOUT THE AREA AND ITS POPULATION. UNRWA FIGURES ARE BELIEVED TO BE UP TO 70 PERCENT IN ERROR IN CERTAIN PLACES BECAUSE OF THE PADDING OF THE ROLLS. [REDACTED] THE ISRAELI DEFENSE FORCES (IDF) STATE THAT THE OVERALL UNRWA FIGURES ARE 20 PERCENT INFLATED. A CENSUS IS TO BE TAKEN NEXT WEEK WHICH WILL ESTABLISH THE NUMBERS AND ESSENTIAL ECONOMIC FACTS,

1.5(e)
3.4(b)(1)

6. THE ISRAELIS ARE UNAWARE OF HOW MANY ARABS WILL RETURN FROM THE EAST BANK. MUCH WILL DEPEND ON ARAB REACTION TO THE SIGNING OF FORMS SWEARING TO ACCEPT ISRAELI ADMINISTRATION.

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7. ISRAEL NEEDS AND IS WILLING TO ACCEPT OUTSIDE AID. WHILE THE CARE ORGANIZATION IS HIGHLY REGARDED, UNRWA IS UNACCEPTABLE. UNRWA IS A SELF-SERVING GROUP WITH INTERESTS CENTERED ON PERPETUATING ITSELF AS AN ORGANIZATION ON BEHALF OF ITS TOP-HEAVY STRUCTURE. THE JOHNSTON WATER PLAN IS AN EXCELLENT STARTING POINT; HOPEFULLY, THE ENTIRE AREA WILL BE INTEGRATED WITH ISRAEL FOR PLANNING PURPOSES IN WATER AND AGRICULTURE.

8. NO SECURITY PROBLEMS FOR GOI ARE ENVISIONED WHICH CANNOT BE SUCCESSFULLY HANDLED. THE ARABS AND THE JEWS CAN LIVE TOGETHER. A NEW ARAB POPULATION WOULD BE SUPERIOR AS RAW MATERIAL TO IRANIAN AND TURKISH PEASANTS. HOWEVER, GOI MUST MOVE QUICKLY TO SOLVE THESE PEOPLE'S IMMEDIATE ECONOMIC AND EMPLOYMENT PROBLEMS AND PROVIDE THEM WITH ASSURANCES THAT GOI ADMINISTRATION WILL NOT ONLY WORK BUT WILL ALSO MEASURABLY IMPROVE THEIR STANDARD OF LIVING, THAT IT WILL ESTABLISH SECURITY FROM CONSTANT SABOTAGE AND RAIDS OF THE PAST 20 YEARS, AND THAT THERE WILL BE CONTINUED PROGRESS IN THE FUTURE.

9. A PLEBISCITE IS DEFINITELY IMPOSSIBLE, SINCE THERE IS NO CHANCE IN THE NEAR FUTURE OF CREATING AN ATMOSPHERE FOR FREE CHOICE IN ANY WESTERN SENSE.

10. REAL PROGRESS WILL HAVE BEEN MADE IN SIX MONTH'S TIME.

11. [REDACTED] DISSEM: CINCPACFSA. [REDACTED]

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*Weekly Situation Report
on
International Terrorism*

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The Weekly Situation Report on International Terrorism will not be published the week of Christmas. The next issue will be published 31 December 1974.

17 December 1974

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Information for this publication is based on contributions from certain agencies represented on the Working Group of the Cabinet Committee to Combat Terrorism. The Working Group is composed of representatives from the Departments of State, Defense, Justice, Transportation and Treasury; the Domestic Council Staff; the Federal Bureau of Investigation; the National Security Council Staff; the Office of Management and Budget; the United States Mission to the United Nations and the Central Intelligence Agency.

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WEEKLY SITUATION REPORT

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17 December 1974

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[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

1.5(c)
1.6(d)(1)

[REDACTED]

1.5(c)
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New Series of Israeli-Fedayeen Terrorist Incidents

[REDACTED]

1.5(c)
1.6(d)(1)

On 11 December a terrorist exploded handmade grenades in a downtown Tel Aviv theater, killing himself and two others and wounding 67 persons.

[REDACTED]

1.5(c)
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The Popular Front for the Liberation of Palestine claimed responsibility for the Tel Aviv cinema attack and said the operation was in retaliation for the rocket attack against the PLO centers in Beirut. The PFLP added that the terrorist was the leader of a four-man team which was positioned inside Israel.

[REDACTED]

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1.5(c)
1.6(d)(1)

[REDACTED]
(Comment: If the PFLP claim that four other persons were involved is true, the terrorist could have received the explosives inside Israel.)

Fatah/PLO leader Yasir Arafat issued a press statement supporting the attack and threatening further retaliation if Israel carried out another operation. [REDACTED]

1.5(c)
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[REDACTED] although the PFLP has rejected PLO leadership, Arafat apparently found it expedient to associate himself with the attack in the wake of the Beirut rocket attack.

On 12 December, less than 24 hours after the Tel Aviv theater attack, four Israeli planes, apparently targeted against a Sa'iqa training area, bombed and strafed two Palestinian refugee camps in Beirut, killing one person and wounding 10 others and heavily damaging some installations. Most of the Palestinian population in the camps had been evacuated beforehand in anticipation of an Israeli reprisal attack. The Lebanese Defense Ministry said one of the Israeli planes was shot down, but the Israeli military command said all the planes returned safely.

The U.S. Embassy in Tel Aviv does not believe that the incidents were linked as a series of reprisal attacks, since each operation appeared to involve considerable advance preparation, but were more likely elements of psychological warfare in which each side reassured its own public and threatened the enemy. The Embassy believes that fedayeen organizations might have terrorists inside Israel ready for an immediate strike in response to an Israeli attack, but there is no confirmation of this. [REDACTED]

1.5(c)
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[REDACTED] The Embassy in Beirut believes the PFLP Tel Aviv attack was mounted primarily to pressure Arafat and the PLO to adhere more closely to a "revolutionary line" and probably reduced the prospect of interfedayeen clashes. The Beirut Embassy also thinks the Israeli raid will increase fedayeen terrorist provocations against Israel. (SE [REDACTED] ET)

Relocation of Terrorist Leader Sabri al-Banna from Iraq to Libya

Sabri al-Banna (Abu Nidal), dissident Fatah terrorist leader who is a primary organizer of the Arab Rejection Front, has transferred his base of operations from Iraq to Libya, [REDACTED] (Banna was responsible for the seizure of the Saudi Arabian Embassy in Paris in September 1973 and for the hijacking of a British Airways jetliner at Dubai in November 1974. See the 19 September 1973 issue for a profile on Banna.) Banna, who received official Iraqi assistance in traveling to Libya, reportedly will reorganize the Libyan-based terrorist group of Ahmad Abd-al-Ghaffur, who was assassinated in Beirut in September, for the purpose of mounting operations from Libya into Europe and the Middle East. Iraq has relocated Banna in an endeavor to placate the moderate leaders and move closer to the Arab mainstream.

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[REDACTED] On the one hand, the Libyans are assisting Fatah/PLO leader Yasir Arafat and the PLO with considerable financial aid, with the intention of eventually directing the PLO to operate actively against Saudi King Faysal and Egyptian President Sadat. On the other hand, Libya is actively encouraging the Arab Rejection Front groups, particularly Banna and the remnants of Abd-al-Ghaffur's group, as a counterforce to both the PLO and a peaceful settlement. (SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM/NO DISSEM ABROAD/THIS INFORMATION IS NOT TO BE INCLUDED IN ANY OTHER DOCUMENT PUBLICATION)

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NOTES

Possible Package Bomb at British Consulate in Buenos Aires

On 10 December a suspicious package was discovered at the office of the British Consul in Buenos Aires. The acting Consul noticed that the package was mailed with a postage meter strip from Beirut but the strip was not canceled and lacked customs stamps, and that the package was addressed to the Consulate's former address. The police bomb squad placed the package, along with a detonating charge, in a metal detonation box and then set off the charge. The resulting explosion damaged the offices and broke two windows. Fragments revealed that the package contained several books, entitled Kim Il Sung, which are readily available in Buenos Aires.

It is still not certain whether the package contained explosives or whether the damage was caused by the detonating charge. The police are being asked to continue their examination. (~~SECRET~~)

Private Plane Hijacked from Florida to Cuba

A lone gunman hijacked a twin-engine Piper Seneca plane in Tampa the night of 14 December and forced the pilot to fly him to Cuba, according to press stories. The plane landed in Havana at about 10:30 p.m. The hijacker, a middle-aged man using the name Robin Harrison, had chartered a single-engine aircraft from the Tampa Flying Service, but when he arrived at the airport he pulled a pistol and demanded the larger plane. The pilot, who returned to Miami on 16 December, said Cuban authorities took the hijacker into custody. They treated the pilot well, but the Tampa Flying Service was required to pay \$500.00 to the Cuban government before the pilot was permitted to leave. This is the first hijacking to Cuba since the signing of a treaty in February 1973 which requires Cuba to return U.S. hijackers or put them on trial. (UNCLASSIFIED)

CHRONOLOGY OF SIGNIFICANT INTERNATIONAL TERRORIST ACTS

<u>Date:</u>	15 December 1974	<u>Bahamian Offices Bombed.</u> A bomb exploded in the Bahama Cruise Line offices, causing moderate damage but no injuries, according to the Miami police. The police believe an anti-Castro organization was responsible for the bombing. The Bahamas recently established diplomatic relations with Cuba. (See Section B-1.) (UNCLASSIFIED)
<u>Place:</u>	Florida, Miami	

TAB A--Chronology of Significant International Terrorist Acts

I. Terrorist Threats and Plans:

Western Hemisphere, Including the United States

<u>Target:</u>	Various Latin American Installations	A group identifying itself as "Young Nationalist Cuba" has sent identical threatening letters, dated 25 November, to the consulates of El Salvador, Colombia and Mexico in Miami, Florida, and to the Dominican Republic and Honduran representatives to the United Nations in New York. (See 3 December issue, page B-I-2.) (CONFIDENTIAL)
<u>Place:</u>	United States, Miami New York	
<u>Date:</u>	Current	

<u>Target:</u>	Various Latin American Countries	* The FLNC is planning operations against the twelve countries that recently voted to lift sanctions against Cuba, and against the Bahamas, which established diplomatic relations with Cuba. (See 10 December issue, page B-I-1.)
<u>Place:</u>	United States, Miami Bahama Islands, Nassau	The 15 December explosion at the Bahama Cruise Line office in Miami may be connected with this threat. (See Tab A.) (CONFIDENTIAL)
<u>Date:</u>	Current	

<u>Target:</u>	Possibly Foreign-Owned Mining Companies	A dissident group in the Dominican Popular Movement is planning a terrorist campaign in
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** Indicates a new threat reported for the first time.

* Indicates a revision of a threat reported in previous issues.

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No Foreign Dissem/No Dissem Abroad/Controlled Dissem

Place: Dominican Republic

Date: Christmas Season

the Cibao region of the Dominican Republic to take place during the Christmas season. Targets may include foreign-owned mining companies. (See 3 December issue, page B-I-4.)
(~~SECRET~~/NO FOREIGN DISSEM)

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

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(~~SECRET~~/NO
FOREIGN DISSEM/NO DISSEM
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II. Terrorist Threats and Plans: Europe

<u>Target:</u> Aircraft Transporting Jewish Emigres	** An unidentified fedayeen group is planning an operation to shoot down a jumbo aircraft departing Vienna with Jewish emigrants to Israel. [REDACTED]
<u>Place:</u> Austria, Vienna	[REDACTED] The operation allegedly is scheduled for February or March 1975 and is aimed at discouraging emigration to Israel. (SECRET/NO FOREIGN DISSEM)
<u>Date:</u> February or March 1975	1.5(c) 1.6(d)(1)
<u>Target:</u> Unspecified, Possibly Jewish Emigre Center	Salah Khalaf, head of the BSO, is planning to organize a series of international terrorist operations. The first incident reportedly will be an explosion in Vienna, using a bus, to protest continued Austrian assistance to Soviet Jewish emigres. (See 10 December issue, page B-II-1.) (SECRET/NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM/THIS INFORMATION IS NOT TO BE INCLUDED IN ANY OTHER DOCUMENT OR PUBLICATION)
<u>Place:</u> Austria, Vienna	
<u>Date:</u> Current	
<u>Target:</u> Unknown	The Fatah leadership expects that the PFLP may mount a terrorist operation in West Germany. (See 3 December issue, page B-II-2.) (SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM)
<u>Place:</u> Possibly West Germany	
<u>Date:</u> Current	

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

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(SECRET/NO FOREIGN DISSEM
NO DISSEM ABROAD/CONTROLLED
DISSEM)

Target: U.S. SECRETARY
OF STATE HENRY
KISSINGER

Place: Unknown

Date: Unknown

The Cypriot EOKA-B resistance
organization is planning to
attack U.S. Secretary of State
Henry Kissinger. (See 10
December issue, page B-II-1.)
(SECRET/NO FOREIGN DISSEM)

B-II-2

III. Terrorist Threats and Plans: Middle East

<u>Target:</u> Hotel	The PDFLP is planning to take over a hotel in Israel in December or January and hold guests, presumably wealthy foreigners, as hostages. (See 26 November issue, page B-III-1.) (SECRET/NO FOREIGN DISSEM)
<u>Place:</u> Israel	
<u>Date:</u> Late December 1974 Early January 1975	
<u>Target:</u> USIS BUILDING Jordanian Post Office	Fatah is planning to plant bombs in the USIS building and the Central Post Office building, both in Amman, in the near future. (See 10 December issue, page B-III-1.) (SECRET/NO FOREIGN DISSEM)
<u>Place:</u> Jordan, Amman	
<u>Date:</u> Current	
<u>Target:</u> U.S. AIRCRAFT, CITIZENS AND INSTALLATIONS Israeli Aircraft, Citizens and Installations	The hijackers of the BA jetliner from Dubai told their Tunisian interrogators that Sabri al-Banna's fedayeen group will probably undertake more hijackings, with U.S. and Israeli aircraft as targets. (See 10 December issue, page B-III-1.) (SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM)
<u>Place:</u> Unspecified	
<u>Date:</u> Unknown	

IV. Terrorist Threats and Plans: Africa

<u>Target:</u>	Foreign Diplomatic Personnel and Installations	The dean of the Diplomatic Corps in Addis Ababa received a telephone call from an unidentified caller threatening to kidnap several ambassadors and to blow up several embassies. The U.S. and British embassies have also received threatening letters, signed "Zapatistas" National Liberation Front. (See 10 December issue, page B-IV-1.) (CONFIDENTIAL)
<u>Place:</u>	Ethiopia, Addis Ababa	
<u>Date:</u>	Current	

V. Terrorist Threats and Plans: Far East

No terrorist threats were reported in the Far East
during 11-17 December 1974

VI. Terrorist Threats and Plans: Worldwide

Target: GONP Courier
Flight

Place Unspecified

Date: 24-25 December
1974

** A new organization of uncertain makeup, using the name "Group of the Martyr Ebenezer Scrooge," plans to sabotage the annual courier flight of the Government of the North Pole. Prime Minister and Chief Courier S. Claus has been notified and security precautions are being coordinated worldwide by the CCCT Working Group. (CONFIDENTIAL)

POTENTIAL TERRORIST TARGETS IN THE U.S. AND ABROAD

This is a list of persons and events, arranged chronologically, which might attract terrorist attack. The following symbols are used when applicable: ** Reported for the first time.
* Revision of report in previous issue.

<u>Target:</u>	Former Prime Minister of Israel, Mrs. Golda Meir	Mrs. Golda Meir, former Prime Minister of Israel, is visiting New York City; Newark, New Jersey; and Montreal and Toronto, Canada. The Secret Service has protective responsibility. (CONFIDENTIAL)
<u>Place:</u>	United States, New York, New Jersey Canada	
<u>Date:</u>	December 1974 and early January 1975	
<u>Target:</u>	Hajj Pilgrims	The Hajj season, now underway, with many Moslems making a pilgrimage to Mecca, could be the occasion for terrorist acts, given the current high degree of dissension within the fedayeen movement. (UNCLASSIFIED)
<u>Place:</u>	Saudi Arabia, Mecca	
<u>Date:</u>	Through Late December 1974	

TAB C-Potential Terrorist Targets

Distribution: Ambassador Lewis B. Hoffacker
Special Assistant to the Secretary
Department of State

General Benjamin O. Davis, Jr.
Assistant Secretary for Safety and Consumer
Affairs
Department of Transportation

Mr. Robert F. Ellsworth
Assistant Secretary of Defense
International Security Affairs

Mr. James M. Frey
Deputy Associate Director for International
Affairs
Office of Management and Budget

Colonel Richard T. Kennedy
National Security Council Staff

Mr. David R. Macdonald
Assistant Secretary of Treasury for
Enforcement, Tariff and Trade Affairs,
and Operations

Mr. Kevin T. Maroney
Deputy Assistant Attorney General
Department of Justice

Mr. Herbert K. Reis
Legal Advisor
United States Mission to the United Nations

Mr. Geoff C. Shepard
Associate Director of the Domestic Council

Mr. W. Raymond Wannall
Assistant Director Intelligence Division
Federal Bureau of Investigation

~~SECRET~~
Central Intelligence Agency

1.5(c)
1.6(d)(1)

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REF ID: A66 94-7
DODLTS: 111 #31

Emergence of the Japanese Red Army

~~Secret~~
November 1974

Copy No 8

APPROVED FOR RELEASE

JUN 18 1997

Warning Notice
Sensitive Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

Classified by [REDACTED]
Exempt from General Declassification Schedule
of E.O. 11652, category [REDACTED]
§ 2852 and (2)
Automatic declassification and
downgrading to determine

Emergence of the Japanese Red Army

Summary

For the past two and one half years a relatively small group of Japanese terrorists, working with the Popular Front for the Liberation of Palestine (PFLP), has conducted or collaborated with the PFLP in three terrorist operations. These incidents--the Lod Airport massacre in May 1972, the Japan Airlines (JAL) hijacking in July 1973, and the Singapore incident in January 1974--are believed to have been planned by the PFLP and then implemented with the assistance of Japanese radicals operating out of the Middle East. In the recent successful operation in the Hague to secure the release of Furuya Yutaka, a Japanese Red Army (JRA) comrade held in a French jail, the JRA appears to have acted independently of the PFLP. An interrogation of Furuya led French police to a network of JRA members in Paris which was planning attacks on Japanese businessmen and a diplomat in Germany. In spite of obvious flaws in the forged documentation carried by JRA members in past operations, JRA terrorists were still able to enter target countries with little, if any, difficulty.

Origin of the Japanese Red Army

Current information from [REDACTED] the U.S. Embassy in Tokyo indicates that the JRA has little support from or connection with other terrorist organizations operating in Japan. The JRA is not "red" in the old communist interpretation of the word and is not an army in the conventional sense. The JRA has no known ties of any kind with the USSR, China, or the Japanese Communist Party and appears to have little or no appeal to most leftist Japanese youth. Little is known concerning its ideology other than adherence to a form of world revolution in which the masses will rise up and defeat the existing imperialist governments.

1.5(e)
1.6(d)(1)

In 1969 a group calling itself the Red Army emerged in Japan, advocating violent revolution. This organization apparently was little different from the approximately 27 other radical groups then operating on Japanese campuses. [REDACTED]

1.5(e)
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[REDACTED] In the past five years several groups which could have had their antecedents in the old Red Army of

1969 have emerged with such names as the Red Army Faction, The United Red Army, The Red Army Guard, The World Red Army, The Red Army Arab Committee and now the Japanese Red Army.

[REDACTED]

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Available information indicates that Shigenobu Fusako, currently thought to be the leader of the JRA, made contact with the PFLP in 1971. In May 1971 she helped produce a film called "The PFLP and the Red Army Declare World War." She also appears to have participated in the publication of a book entitled The Arab Guerrillas and the World Red Army. It is not known whether Shigenobu and her JRA followers initiated contact with the PFLP on their own volition or as the agents of a terrorist organization inside Japan.

[REDACTED]

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Okudaira and two other Japanese radicals were trained and sent by the PFLP into Israel to perpetrate what is now called the Lod Airport massacre in May 1972. It is likely that the three men were not members of any well-established organization in Japan, but rather individuals who were motivated by the goals of the PFLP in combating Israel.

[REDACTED]

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A PFLP spokesman in June 1972 readily admitted that the PFLP had trained and dispatched the Japanese terrorists on the Lod mission.

Following the Lod operation there were a few reports that Japanese radicals and the PFLP intended to mount more joint operations. [REDACTED] the targets were to be airport facilities in Germany, Switzerland, Italy and France. The Japanese reportedly made this agreement with followers of Wadi Haddad, chief of the PFLP's Foreign Operations Committee, but without the knowledge of PFLP leader George Habbash.

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On 20 July 1973 a combined JRA-PFLP group hijacked a Japan Airlines (JAL) Boeing 747 as it departed Amsterdam's international airport. The aircraft finally landed four days later in

Libya, where the terrorists destroyed the jet with explosive charges.

[REDACTED]

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During the JAL operation the four terrorists described themselves as members of the Sons of the Occupied Land Organization (SOLO) working with the JRA.

[REDACTED]

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1.6(d)(1)

SOLO also claimed credit for the bombing of a JAL office in Bonn, Germany on 31 May 1974.) The JAL hijacking was the first instance in which the title JRA was linked publicly with the PFLP.

Several months later the PFLP and the JRA struck again, this time against the Shell oil refinery on Pulau Bukum Island near Singapore. Two PFLP terrorists and two JRA members set fire to one oil storage tank and attempted to blow up three others before seeking to escape from the refinery in a ferry boat. Shortly after they seized the ferry, the four men identified themselves as members of the Japanese Red Army and the PFLP.

In a press conference the day after the attack, a PFLP spokesman in Damascus described the operation as a warning to monopolistic, exploitative oil companies and as a rejection of the Geneva efforts for a peaceful settlement of the Palestine problem. Negotiations between Singapore authorities and the terrorists dragged out for seven days, and on 6 February five PFLP terrorists seized the Japanese Embassy in Kuwait and demanded that the four Singapore terrorists be released and flown by the Japanese government to Kuwait. After the Japanese and Kuwaiti governments agreed to these conditions, the four Singapore terrorists and their five comrades were flown from Kuwait to Aden, where they were subsequently set free.

[REDACTED]

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Japanese Red Army Activities in Europe

On 26 July 1974 French authorities arrested Furuya Yutaka, a Japanese national, for possessing four altered passports and ten thousand dollars in counterfeit U.S. Federal Reserve notes.

[REDACTED]

1.5(c)
1.6(d)(1)

[REDACTED] members of the Curiel Apparatus were providing support to the JRA. The Curiel Apparatus is a Paris-based "leftist" organization which has provided support in the way of training, documentation and financial assistance to revolutionary and national liberation groups in numerous countries. Financial support for the Curiel group is believed to come from fees it receives for services rendered to the various organizations it assists.

The most important JRA member arrested and interrogated was Takahashi Taketomo, believed to be the chief of the European network of the JRA.

[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

1.5(c)
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[REDACTED]

1.5(c)
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JRA Secures Release of Furuya

Three JRA members successfully obtained the release of Furuya (Yamada) from a French prison in mid-September, in a well-planned and coordinated operation which involved seizing the French embassy in the Hague and trading the Ambassador and eight other hostages for Furuya and his documents.

The hostages were held from 13 to 17 September, when Dutch and French authorities finally reached an agreement with the JRA terrorists. After leaving behind their hostages, the terrorists were given U.S. \$300,000 and were allowed to leave Amsterdam in an Air France 707 flown by a volunteer crew.

[REDACTED]

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[REDACTED]

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JRA Modus Operandi

While there is little information available on the JRA to illustrate definite patterns of operation which could be indicators of impending attacks, a few generalizations can be made on the basis of their past attacks.

[REDACTED]

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[REDACTED]

1.5(c)
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Unfortunately no pattern of JRA activities can be obtained by comparing the Lod and Singapore incidents, because the operations were so different. At Lod the task was to kill as many people as possible with automatic weapons and grenades. Therefore a minimum amount of preparation was necessary. At Singapore, however, the terrorists prepared detailed plans over a month in advance.

[REDACTED]

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[REDACTED]

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[REDACTED]

1.5(c)
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[REDACTED]

[REDACTED]

1.5(c)
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[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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1.6(d)(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Israel Section
 2/12/61
 DRAFT for USIB Approval
 27 January 1961
 31

POST-WRITER ON SENS 100-6-60
IMPLICATIONS OF THE ACQUISITION BY
ISRAEL OF A NUCLEAR WEAPONS CAPABILITY

BACKGROUND

1. Intelligence was obtained during the period August-November 1960 confirming that Israel started construction of a viable reactor complex in 1958-59. The accuracy and description surrounding the undertaking suggests that it is intended at least in part for the production of weapon-grade plutonium.

2. The U. S. Intelligence Board directed on 13 December 1960 (Item 9, USIB-4-131) that the Joint Atomic Energy Intelligence Committee prepare a detailed post-mortem of why the intelligence community did not recognize this development earlier, and with the objective of improving our capability for achieving more prompt detection of the possible quest for a nuclear weapons capability by other potential "WtA" countries.

CONCLUSIONS

3. The Israelis probably made the decision to go forward with their secret reactor project as early as 1956, and collaboration with the French on this project had been initiated by 1957.

4. Information was available to some elements of the intelligence community as early as April 1958 that could have alerted the atomic energy intelligence community to Israeli intentions for the early

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SAR - Mrs. Parker

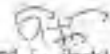
January 27, 1961

RE: - Mr. Mak

Israeli Reactor

The President has asked for a succinct office review of the record of our intelligence and diplomatic actions in regard to the Israeli reactor.

This review should take the form of an enclosure to a memorandum from the Secretary to the President. The memorandum with a brief covering staff study should be received in S/S by c.o.b., January 30.


Raymond L. Perkins
S/P:SB
Encl. 7552

cc: SAR - Mrs. Parkett

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J. L. Smith
M. A. Smith
W. A. Smith
R. E. Smith



construction of an experimental power reactor in addition to the small research reactor being provided by the US.

b. Information concerning the site in the Egypt case to intelligence channels from Special Intelligence sources in mid-1959, but was discounted because the other information in the item was demonstrably untrue.

c. Information on Israeli heavy water procurement available in the U. S. Government as early as June 1958, but not disseminated to intelligence, would have confirmed the existence of an additional reactor construction program in Israel.

d. If the atomic energy intelligence community had properly interpreted information available on Israeli reactor plans and promptly and persistently sought additional information on this program, we believe that the ultimate secrecy or deception surrounding this development would have been detected and Israeli intentions recognized at least one year earlier.

e. If the details of French/Israeli collaboration which were established as collection requirements as early as 1957 had in fact been obtained, Israeli intentions would have been detected one or perhaps two years earlier.

4. The second priority status of Israel tended to reduce the effort and urgency attributed to this problem. Further, the general feeling that Israel could not achieve this capability without outside aid from the US or its allies, and the belief that any such aid would be readily known to

the US, led to a tendency to discount rumors of Israeli reactor construction and French collaboration in the nuclear weapons area.

5. It is considered that nuclear developments by other potential "5th" countries may also be shrouded in secrecy and more than a routine overt collection effort will probably be required in some instances to effectively predict them.

6. There are still significant gaps in our knowledge on the disposition of the plutonium to be produced at the new Israeli reactor site. Also, we lack information on the site, type, and number of reactors involved, and hence their plutonium production potential.

RECOMMENDATIONS

7. A concerted effort should be made to obtain information on the characteristics of the Israeli reactor, how and where the plutonium produced will be processed and used, plans for weapon development, and the extent of foreign assistance and collaboration.

8. JATC should perform a thorough survey of intelligence on all potential "5th" countries, and insure that proper guidelines and ad hoc requirements are established to cover effectively the collection of technical information on the "5th" country problem. This should include proper inclusion in the ISC target listing.

9. Department of State and AEC should insure prompt and systematic reporting of political and technical information to the intelligence community on nuclear developments in all possible "5th" countries. CIA, clandestine Service (CIA/CS) should expeditiously disseminate all information

that it collects on this subject. In addition, USIB member agencies should insure systematic identification and effective overt intelligence exploitation of uniquely qualified U.S. scientists visiting potential "Wth" countries.

10. The Classification Service should initiate a program of intelligence coverage of possible secret nuclear developments in all selected potential "Wth" countries.

11. Departments and agencies receiving information which has been placed in a specially restricted category because of sensitivity of source or necessity for special handling should endeavor to ensure that the gist of information which bears on the "Wth" country problem is made available to the cognizant sectors of the intelligence community.

12. USIB member agencies should insure that a concerted effort is being made to obtain full reporting on the political factors that would identify the motivations or intentions of potential "Wth" countries to pursue a nuclear weapons capability.

13. USIB member agencies should endeavor to improve internal and inter-agency dissemination procedures for raw information to insure prompt dissemination of atomic energy information to intelligence producers.

DISCUSSION

14. Current Priority National Intelligence Objectives (SIID 1/3, dated 24 May 1960) list under Second Category: "7. Non-Nick nuclear energy research and development, production of fissionable materials, and

use of such materials for weapons and other purposes;...." Intelligence collection and analysis on Israel has been conducted under this Second Category Priority in National Scientific and Technical Intelligence Objectives since 15 September 1958. During the period 10 January 1956 - 15 September 1958, Israel was listed in the Third Category Priority, and prior to 10 January 1956 was not listed.

15. Intelligence research on the Israeli atomic energy program, including NIS reporting, is performed on a part-time basis by one intelligence analyst in OSI/CIA who is responsible for corresponding coverage of over forty Bloc and Non-Bloc countries. The ISI also has one intelligence analyst who follows the Israeli nuclear program along with those of the majority of Non-Bloc countries. Other JAEIC member agencies possess incoming raw information on this subject on a day-to-day basis and guide pertinent intelligence collection within their respective agencies, but do not perform any intelligence research in depth on Israeli atomic energy activities.

16. a. Since 1957, the Department of State Comprehensive Economic Reporting Program (CERP) Guide levied on the U.S. Embassy at Tel Aviv has included specific sections on atomic energy developments and nuclear fuel resources.

b. Since 1958, the Department of State has from time-to-time levied requirements on the Embassy both in Tel Aviv and Paris for information on Franco-Israeli collaboration in the military, economic and political fields. Personnel assigned to Tel Aviv have regularly been briefed on this requirement before departing Washington. No science attache is assigned to Tel Aviv and none of the Department

of State personnel assigned to the Embassy have had scientific training.

c. Collection of information on scientific developments in Israel in the fields of chemistry and physics has been included for several years in the CIA Periodic Reporting List (PRL) that has been widely disseminated to all major intelligence collection agencies. Specific reference to Israeli reactor developments was first incorporated in this latter collection list in December 1960.

d. Within CIA, a requirement was levied upon the clandestine Service, 25 July 1957 for the development of a program of intelligence exploitation of International Program for Peaceful Use of Atomic Energy. This was aimed primarily at detection of surreptitious action by foreign governments to acquire a nuclear weapons capability.

e. The first pertinent ad hoc intelligence collection requirement in Israeli atomic energy developments was issued on the Department of State by OSI/CIA in March 1958 (see paragraph 19 below).

f. The routine briefing and debriefing of Service attaches posted to Israel and their collection guidance has included atomic energy coverage, and attaches are furnished Intelligence Collection Guidance Manual for Joint Usage of Nuclear Energy (AFM 200-76/DA FAW 30-177).

g. In response to the post-mortem on WIE 100-2-58, "Development of Nuclear Capabilities by Fourth Countries: Identification and Consequences," JAEU considered the problem of collection in the "fourth country" area, and requested the AEC and Department of State to review the situation

with regard to collection efforts of their agencies on the "fourth country" problem. The AEC and State were urged to intensify their efforts particularly toward French and cooperative European nuclear energy programs and report their progress to JASIC. The Department of State reported that in October and December of 1958, as a direct result of the post-curtain, the Department had circulated requests for information on the technical and political aspects of the development of nuclear capabilities of fourth countries. Unfortunately, Israel was not specifically included as a country of interest since it was only mentioned briefly in the estimate and was not included in the post-curtain. (These Department of State requests would, of course, also go to the AEC representatives abroad.) AEC reported continuation of its program of oral briefings of AEC travelers and overseas representatives. Specific and ~~ad hoc~~ requirements were also issued by OGI/CIA once a significant nuclear research capability had been identified in a specific country, e.g., France, West Germany, Italy, Communist China, Poland and Czechoslovakia.

4. In December 1959, CIA/OS established requirements for reporting on any Israeli participation in the first scheduled French nuclear tests in the Sahara (see paragraph 24 below).

17. There has been an ample flow of information from overt sources, including Office of Operations/CIA (OO/CIA), on atomic energy developments during recent years at the Weizmann Institute and at the nearby Israeli AEC laboratory where a research reactor has been provided under a US bilateral

agreement, but no information relating to the Beersheva site was received. The first item of information concerning the site in the Sager came to intelligence channels from Special Intelligence sources in mid-1959, but was discounted because the other information in the item was demonstrably untrue. Further intelligence information was received in early 1960, but was deemed insufficient by OSI/CIA analysts as a basis for a sound judgment and was discounted. US Embassy, Tel Aviv, forwarded on 2 August 1960 a report from a US nuclear engineer that the Israelis were constructing a major reactor with French assistance. Three months were required to obtain adequate confirmatory information via US collection agencies and US liaison channels. This information resulted in a JAWID statement on 7 December 1960 and in the subject SMIS, 8 December 1960. The chronology of pertinent information is discussed below.

Chronology of Pertinent Information Available within US Government

18. In early 1956, Israel initiated negotiations for 10 tons of heavy water from the AEC in connection with the request for bids on the design and construction of a 20 MW natural-uranium, heavy-water-moderated reactor. The AEC agreed to furnish this heavy water with adequate safeguards. However, Israel did not follow-up on the request for either the reactor or the heavy water. Although the reactor bid request was reported in the AEC's 20th Semiannual Report of July 1956 (unclassified), information on the heavy water negotiations was not specifically transmitted to the intelligence community. Although at the time this heavy water was associated with a peaceful-use reactor program, in retrospect it might have provided insight into the fact that Israel desired to embark on a major reactor construction program independent of peaceful use safeguards.

19. In response to a Department of State circular of 3 January 1958 soliciting comments on the problem of liability in atomic reactor mishaps, the US Embassy in Tel Aviv reported on 3 March 1958 an interview with Dr. Bergmann, Chairman of the Israeli Atomic Energy Commission, which discussed the research reactor to be supplied by the United States, the eventual need for nuclear power in Israel, and Israel's production of small quantities of uranium and heavy water. At that time requirements were prepared by OMI/CIA on 27 March 1958 requesting detailed information of Israel's uranium and heavy water production. These requirements were transmitted to the Embassy in Tel Aviv by the Department of State on 13 June 1958, and the Embassy replied on 10 July 1958. These requirements were evidently served almost verbatim on Dr. Bergmann by the Second Secretary of the Embassy. While Dr. Bergmann answered the questions in some detail, he was somewhat perturbed by the request. He stated that the decision to build a heavy water plant had been taken, but the capacity of this plant was still undecided. He expected to submit a report by the end of July 1958 which would enable the government to decide about the site. The answers contained no indication of reactor construction.

20. While Dr. Bergmann had stated in the interview reported by the US Embassy, Tel Aviv, on 3 March 1958 that no formal decision on nuclear power had as yet been taken by the Israeli Government, the Embassy reported on 15 April 1958 that Dr. Bergmann had said on 15 April that the decision to build a power reactor had already been taken. However, it would take at least two and a half years to construct the experimental reactor now contemplated, and five to seven years before a large, economically feasible

reactor could be put into operation. At that time, it was assumed wrongly by intelligence that the experimental reactor referred to was the small US-supplied swimming pool research reactor, the procurement of which was then being negotiated. There have been numerous conflicting statements on the eventual use of nuclear power in Israel, and as recently as March 1960, Dr. Bergmann is reported to have stated that it would be at least five years before Israel would be able to erect a nuclear power station.

21. During the period 1952-59, there were numerous reports of rumors that France was assisting Israel in the nuclear energy field. A few of these reports indicated that the French would supply, or aid in the development of nuclear weapons. A French-Israeli agreement for cooperation in atomic energy has been known to exist since 1953, but it has never been published and its details are not known to the US. On 15 April 1958, Dr. Bergmann stated categorically that the agreement was limited to the exchange of information on uranium chemistry and the production of heavy water. U.S. intelligence presumed (wrongly) that French aid was in fact limited to these fields. The French repeated this position in November 1960 but finally officially admitted to reactor collaboration in mid-December (see paragraphs 32 and 42 below.)

22. On 25 May 1959, the U.S. Naval Attache in Tel Aviv reported a British source as stating that the resignation of General Dan Volkovsky on 26 April 1959 as head of the Development Authority of the Israeli Defense Ministry was due to his opposition to the attempts to obtain atomic weapons by Shimon Peres, Director of the Ministry. The Attache, however, was unable

to confirm Volkovskiy's story, and no action was taken by the U.S. intelligence community on the basis of this report.

23. On 5 June 1959, an official of the Norwegian Foreign Ministry advised a representative of the Division of International Affairs, AEC, in strict confidence that they had completed a "secret" agreement for the sale of heavy water to Israel which "included safeguards and inspection". A Memorandum of Conversation on this incident was forwarded to the Department of State and in turn to the AEC on July 1959 by the U.S. Embassy, Oslo, but neither Agency disseminated this information to the U. S. intelligence community until 13 December 1960.

24. In early 1960, CIA/OS obtained information that specific Israeli observers would be present at the first French nuclear weapons tests, and this information was never disseminated because it could not be confirmed that any observers actually attended. It was, however, discussed informally in JASIC on 12 January 1961.

25. In April 1960, CIA/OS obtained information that Norway had sold 50 tons of heavy water to Israel. This information has not been formally disseminated, but was discussed informally in JASIC on 12 January 1961.

26. In August 1960 a dispatch (No. 75) from the U.S. Embassy, Tel Aviv, dated 2 August 1960, was received which reported the possible construction of an Israeli power reactor with French assistance. At the AEC member's request, the report was discussed briefly at the 25 August 1960 JASIC meeting, and members were requested to report any available information at the next meeting (9 September 1960). No new information was reported at the subsequent meeting. Concurrently, a memorandum on the status of the Israeli nuclear

energy program had been prepared on 2 September by WAI/CIA, but was not disseminated to WASH pending collection of further information. Follow-up collecting requirements of the respective power reactor were prepared by OSI/CIA on 19 September 1960 and were sent to Paris and Tel Aviv by the Department of State on 19 October 1960.

27. CIA/OS learned 29 August 1960 that a secretary with the US Embassy in Tel Aviv had reported to her Department of State supervisor several months earlier that she had visited Beersheba with an Israeli boyfriend who told her the French were building a reactor. She said through him a member of French facilities in Beersheba and was told at the time the matter was being kept a secret. This information was not formally disseminated by CIA until it was received after the above 2 August OS Embassy dispatch No. 75, and it was believed that the dispatch contained essentially the same information. It was, however, disseminated informally to WASH on 12 January 1961.

28. In view of the intensive investigation into the Begev complex from August 1960 onward, and the large body of information produced, the following paragraphs discuss only selected items which cover significant delays encountered in the dissemination of pertinent information within the intelligence community. A detailed table covering the period August-December 1960 is attached which lists the dates on which pertinent information regarding the Israeli problem was received in Washington by the intelligence community, the date of the information, a brief of the information itself, and the action resulting from the information.

29. Action from WAI/Washington, which stated that the United Kingdom believed a reactor was under construction near Beersheba, were dated 27 October and 1 November and received on 2 and 3 November 1960. Ground photography of the

possible site was received through PIC channels from the United Kingdom on 8 November. On 9 November hurried analysis of the photography led to a preliminary assessment that the site was probably a reactor complex. JAGIC members were alerted, and requirements for photographic interpretation were served. Preliminary results of the analysis were discussed by JAGIC on 21 November 1960, and the Committee agreed that no firm conclusions could be drawn until the photo-interpretation was completed and all pertinent data assembled and the matter could again be reviewed in one to two weeks.

30. On 9 November, AFICIN sent instructions (AFICIN 56-60) to the Air Attache in Israel to secure additional photographs of the Beersheba site and any other information available. A reply from the Assistant Air Attache, dated 21 November, indicated that he had first observed the site on 30 July 1960 while on a personal trip, and had been told by the accompanying Israeli Assistant Foreign Liaison Officer that the installation was a metallurgical research laboratory. He again passed the installation on 16 November with the Israeli Senior Foreign Liaison Officer who also told him that it was a metallurgical research laboratory. The Attache obtained long-range ground photography on 16 November. His detailed report and copies of the photographs were received by AFICIN on 1 December and were disseminated on 27 December 1960. However, a single copy of one of the photographs was received in Washington through CIA channels on 5 December 1960 and made available in JAGIC.

31. The Army Attache in Israel obtained an excellent series of ground photographs of the installation on 9 August 1960, but did not identify the facility or appreciate its significance. These photographs were sent over

200 received in Washington on 4 October by AETI/Army. However, the Attache's failure to supply the required photographic data delayed further processing and dissemination. When it was recognized that photographs of the reactor site had been taken by the Attache, the photographs were eventually located and made available to atomic energy intelligence elements on 8 December 1960.

32. On 22 November 1960, in reply to the requirements initiated by CIA on 13 September, the US Embassy, Paris, reported an interview in which the AEU Representative, Paris, confronted a member of the French Atomic Energy Commission with information that the US had learned of the construction of a nuclear power plant in Brest and asked for information on French participation. French official and industrial collaboration in such a project was finally denied, and the Franco-Israeli agreement was described as relating to uranium and heavy water production. However, on 27 December 1960, a French official advised the AEU representative in Paris that earlier statements were the "party line" at that time, but that the ancillary concerned a heavy water, natural uranium reactor. This information was disseminated to JAEIC on 23 January 1961.

33. Confirmation of French assistance to Israel in this reactor project was obtained in London from the UK by a CIA/UK representative on 15 November 1960. This information was received in CIA/CS on 21 November, but no dissemination was made until OSI/CIA learned of its existence when a reference was made to this information in a subsequent CII/London cable of 5 December 1960 sent through atomic energy intelligence liaison channels. This report was finally disseminated to the intelligence community on 10 December 1960.

34. On 16 December, CIA/OSI received information through atomic energy intelligence liaison channels that the UK-ARND had information that France sold Israeli blueprints for the Marcoule G-3 Reactor in 1957. This information was not disseminated to JARIC member agencies until 13 January 1961.

35. On 26 November, the US Embassy, Paris, reported that Prof. Goeberg, University of Michigan nuclear scientist, was returning to the US from Israel and that he had information regarding the Israeli nuclear power reactor. Prof. Goeberg was debriefed in Washington on 1 December by representatives of WFO, CIA, and State, and reported that he was convinced that the installation in the Negev was a French-Marcoule-type reactor being erected with French technical assistance, that construction had been under way for about two years, and that it was scheduled to be completed in about a year. Prof. Goeberg had inquired about the project during his final meeting with Dr. Bergmann, and learned that it was planned that Prime Minister Ben-Gurion would make a statement about three weeks hence (approximately 14 December).

36. When the US Ambassador, Tel Aviv, learned by information copies of Paris-Washington Department of State traffic that Goeberg possessed such information, he acknowledged on 30 November his awareness of the information obtained by Goeberg during the latter's recent visit to Israel.

37. On 3 December, the US Ambassador to Israel reported that Dr. Bergmann had told him that Ben-Gurion planned to make an announcement the next week which would include mention of a 20 MW heavy-water-moderated research reactor to go critical in about a year and a half. Upon receipt of this report, a follow-up debriefing of Prof. Bergmann was held. Prof. Goeberg stated that, while the Israelis had originally considered this type of research reactor, he had no information that they would build one, and doubted that the Negev installation was a heavy-water-moderated research reactor.

38. Information received from the United Kingdom in the first week of December 1960 through atomic energy intelligence liaison channels revealed to the JARIC members for the first time that Norway had disclosed about 20 tons of heavy water to Israel in 1959 and 1960. Inquiry throughout the US Government revealed that the Department of State and AEC had information 16 July 1959 (paragraph 23 above) of a secret Israeli-Norwegian heavy water transaction, and CIA/CB knew the transaction involved 20 tons of heavy water in April 1960 (see paragraph 23 above). On 12 December 1960, the Department of State requested the US Embassy, Oslo, to supply any further information on the Norwegian-Israeli heavy water agreement. On 22 and 30 December, the Embassy reported the current status of the agreement and Norway's reluctance to exercise its inspection safeguards at this time.

39. The AEC received information 14 September 1960 on Norwegian-Israeli cooperation in hot cells usable for small-scale plutonium separation. This information was disseminated to JARIC member on 6 December 1960.

40. On 5 December 1960, Mr. Hall, Assistant General Manager for International Affairs, AEC, advised Mr. Richter of the AEC, that in Vienna in September 1960, Dr. Bergmann indicated that a power reactor was under construction as part of a "classical" power reactor program. Dr. Bergmann added that the Israelis were interested in accumulating plutonium because they had great hopes for the plutonium breeder cycle and that they hoped their first medium power reactor would be finished by April or May of 1961. Mr. Hall was invited to "come and see it [the reactor] sometime." This information was formally disseminated to JARIC member agencies on 12 January 1961.

41. On 19 December, when the President's Science Advisory Committee was briefed on the Israeli development, Dr. Eugene Wigner of Princeton,

stated that while he was teaching in Israel (at Israeli invitation) in July 1960, he had driven past the installation and that it was referred to as a power reactor site. The intelligence community failed to obtain timely information on Dr. Wigner's travel, and no debriefing occurred until 19 December.

42. While there had been some general mention of the "NUZ" country problem in the press in early December, the Israeli situation did not come into the open until 16 December when the DAILY EXPRESS (London) published an article by Chapman Pincher, U.K. Scientific Correspondent, stating that Israel was well on the way to building her first experimental nuclear bomb. Israeli officials immediately denied any nuclear weapons capability, and the French announcement of 19 December also denied any assistance in a military nuclear program. The French announcement added that the assistance furnished by France to the Israeli program concerned a heavy-water, natural-uranium reactor and that all necessary provisions had been made to assure utilization of the installation for exclusively peaceful purposes. On 21 December, in reply to a question in the Knesset (parliamentary assembly), Ben-Gurion stated that Israel was building a 20 MW research reactor in the Negev which would not be completed for another three or four years.

Major Actions Taken During December 1960 on This New Information

43. JAGM issued statements on the problem on 3 and 7 December, based on the evidence available on each date, and CIA informally briefed the staff of the Joint Congressional Committee on Atomic Energy on 1 December 1960. An EOLR was prepared and given preliminary coordination by USIN on 2 December, and the Joint Congressional Committee on Atomic Energy was briefed by State, AEC, and CIA on 9 December 1960.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: April 11, 1956

SUBJECT: Israeli Atomic Energy Program

Israel: Mr. Ernst Bergmann
 Mr. I. Palsh
 Mr. I. Dostrovsky
 Mr. Victor A. Schild, Scientific Counselor,
 Embassy of Israel

AEC: Messrs. Avrill, Bengelendorf, Thomas Jones, and
 Kaufman

State: Mr. Halvor G. Horn, S/EE

COPIES TO: AEC
 NSA
 Embassy Tel Aviv

Mr. Bergmann and his delegation called at the Division of International Affairs, U.S. Atomic Energy Commission, to present a final report on their tour of U.S. atomic energy installations. They expressed their gratitude for the opportunity and confirmed that their visit had been most informative.

The Israeli delegation said that they had decided to construct a heavy water 10 megawatt research reactor fueled by natural uranium, the uranium to be produced in Israel. At the same time, they would like assurances from the AEC that they would be able to obtain research quantities of enriched uranium, and the heavy water necessary to operate their reactor. Dr. Bergmann explained that Israel enjoyed a fairly advanced technological position in the atomic field and wished to skip over the experimental phase of operating a swimming pool type reactor. They had submitted their specifications for the reactor they had in mind to several American companies and would be receiving estimates of the cost and of the time required for construction.

The implementation of the President's offer of \$350,000 towards construction of a reactor was explained to them by Mr. Jones and the Israeli delegation appeared to understand the terms. The visitors also inquired as to training opportunities for specialists and operators, and the AEC spokesmen assured them that suitable arrangements could be made. The same applied to training also, regard to the radiological hazards. A further Israeli request for training in metallurgy of reactor components entailed some reservations on the part of the AEC inasmuch as certain aspects of this field are still classified. However, it was thought that some assistance might be found.

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

C-O-N-F-I-D-E-N-T-I-A-L

Israel Reactor
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O/F THE COM
FILE

COUNTRY Israel	REPORT NO.	OO-B-3,174,831
SUBJECT Nuclear Engineering Training/Large Nuclear and Electric Power Plant near Beersheba/ French Nuclear Assistance to Israel/Israeli Attitude Towards the Announcement of its Large-Scale Nuclear Effort/Opportunity for US Participation in Nuclear Powered Water Conversion	DATE DISTR.	9 February 1961
	NO. PAGES	3
	REFERENCES	Case 34377 RDA-8224 DAS-6398 RDA-8216
DATE OF INFO. Nov 60	<i>FILE</i>	
PLACE & DATE ACQ. Belaviv/Jerusalem Nov 60		

THIS IS UNEVALUATED INFORMATION

SOURCE: A US citizen who is a nuclear engineer. He has been associated for several years with a training reactor. He is highly qualified in his field.

He has traveled extensively, visiting various parts of the world in connection with the setting up of programs for nuclear engineering training and to consult with government officials in regard to the problems of nuclear education. On a recent trip he was invited to consult with officials in Israel on this subject.

1. When I went to Israel in November 1960 it was my first trip. I was to advise in connection with nuclear engineering training. I was aware that there was a training reactor in Israel, and, at the Weizmann Institute and at other places, nuclear engineers were being trained. I was completely unprepared for the magnitude of the effort in Israel, or for the attitude of some of the Israelis in regard to it. What I learned about the large classified project near Beersheba all came indirectly. I spoke with a number of highly placed Israelis who were forced to acknowledge the existence of the classified effort in order that any use might be made of my consultative capabilities, but no one spoke to me of it in detail or gave any direct information about it. For this reason I prefer to keep the names of the Israeli officials with whom I spoke, and who were placed in the position of having to acknowledge some of the characteristics of the classified project, to myself.
2. One of the first places I was taken to consult was the laboratory of the Israeli Atomic Energy Commission. As soon as the conversation started it immediately became apparent that the Israelis had not anticipated that to discuss nuclear training with me they would have to reveal the objectives for which the training was being conducted. As a result, I had to ask pertinent questions, the responses to which immediately revealed the existence of very important project which the Israeli officials could not discuss with me. This impression was fortified with each of the conversations I had in Israel until it overshadowed everything else about my trip there. To name two items which immediately brought the classified project into evidence was the anomaly of the number of people being trained in nuclear engineering, the number desired to be trained in nuclear engineering, compared with the size of the present and planned unclassified atomic energy program. At the Weizmann Institute 20 or 30 people already have been graduated from a rather intensive course in nuclear engineering. Add to this the trainees at other Institutes and the reluctance to name exactly how many were expected to be trained in the near future, a

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- 2 -

It was left that the Iowas would submit at the appropriate time data on students they wish to send to the U.S., their request for heavy water, and the specifications of their reactor necessary to qualify for the U.S. financial assistance.



National
Foreign
Assessment
Center

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Approved for Release

Date 5-7-96

Africa Review

Supplement
8 June 1981

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~~Secret~~ [REDACTED]

AFRICA REVIEW (S)

SUPPLEMENT

8 June 1961

CONTENTS

South Africa - Israel: Status of Relations (S) . . . 1

[REDACTED]

Relations between South Africa and Israel have in recent years expanded to include extensive economic dealings and close political ties--and appear to be strong enough to overcome their inherent drawbacks. (S)

[REDACTED]

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SOUTH AFRICA - ISRAEL: STATUS OF RELATIONS (U)

Ties between South Africa and Israel, once heavily military and highly secretive, have opened up in recent years to include extensive economic dealings, a growing tourist trade, and a close political relationship. This trend was fostered by former Prime Minister Vorster's visit to Israel in 1976. The connection has mutual political drawbacks and potential pitfalls--chiefly for Israel, which is trying to establish diplomatic relations with several black African states--but the foundation of South African - Israeli relations is strong enough to overcome most obstacles. (U)

Affinities and Frictions

One of the keys to the relationship has always been found in South Africa's influential Jewish community. The approximately 120,000 Jews in South Africa are strong Zionists and have extensive family ties in Israel. They have contributed more per capita to Zionist funds than any other Jewish community and stand second only to American Jews in total annual contributions.* (U)

A number of other cultural and psychological affinities underlie the relationship. The Afrikaners and Israelis both see themselves as "chosen people" and as the embodiment of Old Testament values. They both resisted British colonial rule with eventual success. Moreover, Israel and South Africa are virtual pariahs in the international community, and within their respective regions both are isolated and surrounded by actual or potential enemies.** (U)

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At the same time, several real and potential sources of friction exist between the two sides. Many Israelis view apartheid as morally repugnant and fear that too close an identification with South Africa might label Israel as racist. Israelis, moreover, are aware of the history of anti-Semitism among the Afrikaners. Former Prime Minister Vorster was one of many South Africans who openly supported the Nazis in World War II, a fact that led some Israelis to denounce his visit in 1976. (U)

The South Africans also have some misgivings about the relationship. In 1961 Israel, which then, as now, was courting black African governments, voted for a UN resolution condemning apartheid. In 1971 Tel Aviv made a financial contribution to the OAU's liberation fund, which Pretoria defined as "tacit support for black African terrorism against white states in southern Africa." In addition, some virulently anti-Communist South Africans question the wisdom of close relations with "socialist" Israel. (U)

The Political Context

Relations between the two countries were low key but amicable until 1961 when the South African Government, in retaliation for Israel's UN vote against apartheid, prohibited South African Jews from contributing funds to Israel. The Jewish community's emotional reaction to the Six-Day War in June 1967, however, forced Pretoria to rescind the ban and permit the free transfer of funds and goods to Israel. (U)

Following the 1973 war, during which South Africa provided Israel with an emergency supply of Mirage fighter parts, Israel raised the status of its mission in South Africa to an Embassy, and the two countries greatly increased their official exchanges. Black Africa's severing of relations with Israel and a warmer attitude toward South Africa by the Nixon and Ford administrations helped ease what few reservations remained in Tel Aviv about overt cooperation with Pretoria. (U)

Prime Minister Vorster's visit to Israel in 1976 and the accession to power the following year of Israeli Prime Minister Begin and other pro-South African members of the Likud bloc ushered in the current renaissance

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in the relationship. One measure of the mutual friendship that now prevails has been the steady two-way flow of important visitors since Vorster's visit. On the Israeli side, they have included former Cabinet members Weizman, Dayan, and Rabin, and Generals Meir Amit and Chaim Herzog. South African VIP visitors to Israel have included Finance Minister Horwood, former Minister of Information Mulder, and former Defense Force Chief of Staff Gen. Magnus Malan. (U)

Economic Relations

The most important growth in relations over the past five years has occurred on the economic level. Two-way trade, which stood at less than \$90 million in 1975, broke the \$200 million barrier last year. The leading South African exports to Israel are processed foods, fish meal, tobacco, and base metals--particularly iron and steel. Chemicals, electronic equipment, and machinery head the list of Israeli exports to South Africa. (U)

The trade balance falls heavily in favor of South Africa, a situation Tel Aviv has tried to offset through such steps as guaranteeing South African investors in Israel the right to repatriate their profits. The South African - Israeli Chamber of Commerce has promoted joint ventures, and both governments have passed favorable trade legislation. The most successful joint ventures combine South African capital and raw or semifinished goods with Israeli technological know-how and management expertise. Most of the joint projects are based in Israel--where they can take advantage of Israel's preferential trade agreements with the United States and the EC. (U)

Diamonds. When the diamond trade is considered, the economic relationship becomes even more lopsided in South Africa's favor. Israel, one of the world's leaders in diamond finishing and polishing, gets all of its raw diamonds indirectly from South Africa. The international diamond market is structured so that nearly all of the world's diamonds--the vast majority of gemstones come from South Africa and Namibia--are sold at fixed prices to a London syndicate, the Central Selling Organization. The CSO, a monopoly dominated by South Africa's deBeers group, then markets the raw diamonds abroad. Israeli

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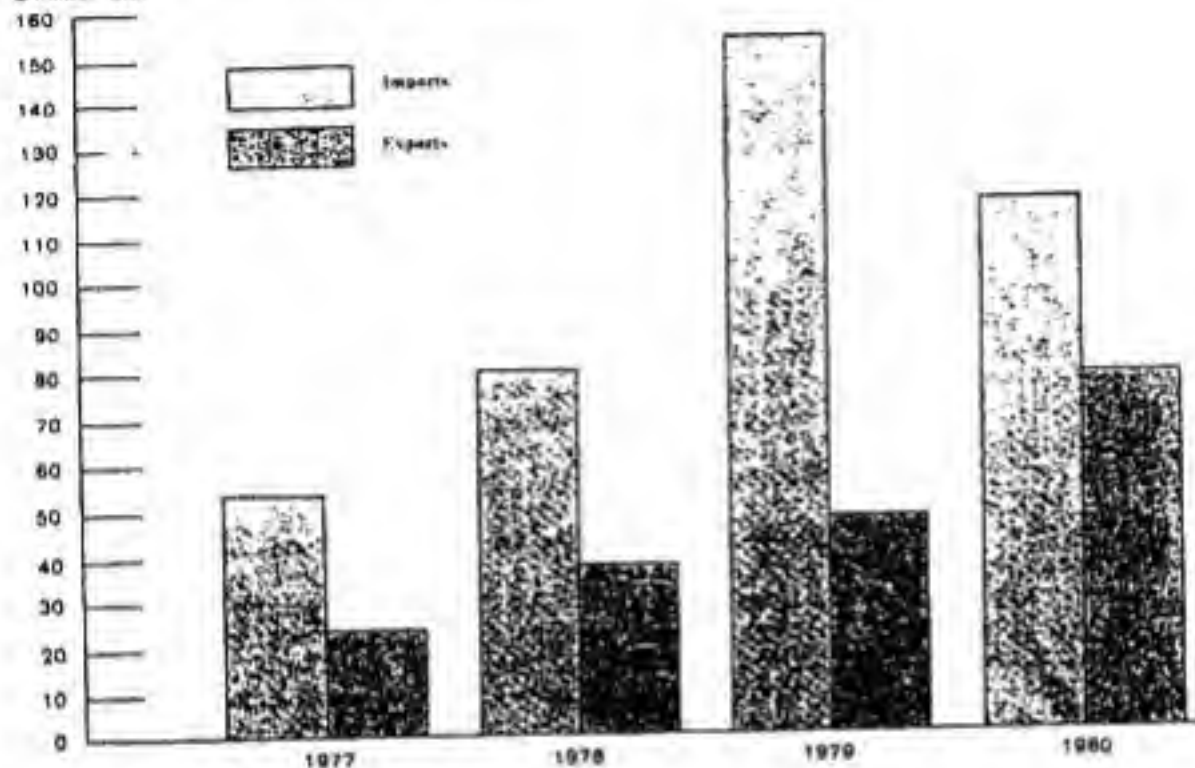
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W

Israeli Imports From and Exports to South Africa

\$ Million U.S.



~~Unclassified~~

diamond purchases from the CSO--which show up in Israeli statistics as imports from the United Kingdom--amounted to \$217 million last year. (U)

Among export commodities, diamonds are better than a best friend to Israel. Some 20,000 Israelis, or 2 percent of the country's work force, are employed in the diamond industry. Finished diamonds earn Israel more than \$1 billion annually, and constitute about 30 percent of its exports. (U)

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Tourism. Tourist trade between South Africa and Israel is brisk. In 1978, South African tourists in Israel accounted for some \$13 million in foreign exchange earnings, while Israeli visitors provided South Africa with about \$3 million. South Africa's Jewish community dominates the tourist trade, but, as "people of the book," South Africa's increasingly affluent Afrikaners are becoming more frequent visitors to Israel's ancient cities and holy shrines. Israel has waived visa requirements for South African travelers as part of its program to promote tourism. (S)

Military Relations

[REDACTED]

Intelligence liaison stems from overlapping regional interests as well as each side's preoccupation with the superpowers.

[REDACTED]

The intimacy of the intelligence relationship is symbolized by Tel Aviv's appointment in 1979 of the former head of the Israeli intelligence service as Ambassador to Pretoria. (S)

Arms Sales and the UN Arms Embargo. Much of the controversy over South African - Israeli relations has centered on cooperation in the area of weapons development and sales. There is no evidence to support persistent rumors that South Africa, Israel, and Taiwan are jointly developing a cruise missile, and recent media reports that Israel and South Africa are collaborating

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in the construction of a nuclear-powered submarine in Durban are without basis in fact. The list of weapons of Israeli origin in the South African arsenal, however, is extensive--a testimony to past large-scale arms trade between the two sides. Included in Pretoria's inventory are Reshef-class patrol boats, Gabriel surface-to-surface missiles, Galil rifles, and Uzi submachineguns.

(S)

Israel's decision to interpret the UN arms embargo against South Africa in 1977 as only covering future dealings has contributed to the arms sales controversy. Although the deal involving the Reshef patrol boats and their accompanying Gabriel missiles was concluded in 1975, delivery of the boats and missiles continued through 1978. South Africa in fact is still building the boats under Israeli license. (S)

Delayed deliveries, coupled with South African use of Israeli middlemen to gain access to commercial international arms dealers, complicate our understanding of current arms trading between the two countries. Despite

[REDACTED] occasional secondhand and thirdhand accounts that Israel has made clandestine arms deliveries to South Africa, there is no hard evidence refuting Tel Aviv's official denials that it has concluded arms deals with South Africa since 1977 or is otherwise violating the UN arms embargo as it interprets it. (S)

Nuclear Ties

Speculation about South African - Israeli collaboration in producing nuclear weapons has been rife since 1963, when Pretoria sold Tel Aviv 10 tons of nominally safeguarded uranium. Prime Minister Vorster's proposal in 1976 for a series of scientific and technical exchanges and the reports linking South Africa and Israel to the September 1979 "event" in the South Atlantic have raised such speculation to new heights.

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8 June 1981

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[REDACTED]

No similar exchanges have taken place between the Israeli Atomic Energy Commission and the South African Atomic Energy Board, and both the Israeli reactor complex at Dimona and the South African uranium enrichment plant at Valindaba have been closed to foreigners.

[REDACTED]

Outlook

Although there is room for continued growth in South African - Israeli relations, the phase of rapid expansion may already have run its course. The outcome of the election this month in Israel could have a dampening effect. Prime Minister Begin's primary challengers in the Labor Party have over the years made clear their reservations about bilateral ties, and under a Labor government Tel Aviv could be expected to put some distance between itself and Pretoria. Some cooling in relations could occur even if the Likud bloc stays in power. Foreign Minister Shamir is only one of several leading members of the

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8 June 1981

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ruling coalition who have urged a deemphasis on the political side of relations, presumably to improve Tel Aviv's prospects for a diplomatic breakthrough in black Africa. ~~(S)~~

Economic ties will probably be immune to dramatic shifts, but even here certain constraints could come increasingly into play. The geographic distance between the two countries--21 days by sea--has already inhibited some categories of trade, particularly bulk commodities, and could become more of a disincentive if transportation prices continue to rise. On another level, Pretoria could react to any Israeli-inspired cooling of political ties by eliminating some of the incentives it has created for investment in Israel. Even if relations continue to flourish on the economic and political levels, the once-substantial arms trade could dry up as Israeli deliveries under pre-UN embargo contracts run out and as South Africa's indigenous arms industry begins producing more sophisticated equipment. ~~(S)~~

Overall, however, the foundations of South African - Israeli ties are strong enough to endure temporary setbacks. The major concern facing each partner is likely to continue to be the one implied in recent comments by the Israeli diplomat in Pretoria, who said Israel's main problem is to maintain a low profile in its "embarrassingly good" relations with South Africa. ~~(S)~~ [REDACTED]

[REDACTED] 8 June 1981

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NOFORN NOCONTRACT

Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

30 March 1983

Approved for Release

Date 5-7-96

NEW INFORMATION ON SOUTH AFRICA'S NUCLEAR PROGRAM AND
SOUTH AFRICAN-ISRAELI NUCLEAR AND MILITARY COOPERATION (~~S NF~~)

Summary

[REDACTED]

Nuclear Weapons Program

[REDACTED]
expands and confirms our knowledge of South Africa's nuclear weapons program. [REDACTED] indicates that South Africa formally launched a weapons program in 1973. Its scientists [REDACTED] were tasked to develop a gun-assembly, implosion, and thermonuclear weapons designs. In 1979, [REDACTED] identified a probable underground nuclear test site in the Kalahari Desert. The resulting international uproar reportedly caused Prime Minister Vorster to order a halt to further nuclear weapons development. (~~S NF NC~~) [REDACTED]

We have had no direct indication of any subsequent activities in the weapons program. We believe, however, that South Africa already either possesses nuclear devices or has all the components necessary to assemble such devices on very short

[REDACTED]

~~SECRET~~

notice. [REDACTED] confirms the following already known details about South Africa's nuclear weapons program:

- The Kalahari Test Site was intended for nuclear weapons testing.
 - South African scientists anticipated a yield, had they tested, of 20 kilotons.
 - Research on both a gun-assembled device using two modified naval guns and on the firing system for an implosion device was conducted at the Somerset West explosives facility over the period at least from 1973 to 1977. (S)
- NE NC [REDACTED]

- South African scientists believed that nuclear testing was not required, because of the favorable nuclear weapon modelling results they had obtained.
- Possible nuclear-related high explosive testing also occurred in the Kalahari Desert in 1977 to 1978.

- A plutonium separation plant was contemplated in 1977 to provide South Africa with a complete nuclear fuel cycle. (S) NE NC [REDACTED]

[REDACTED] South Africa's Valindaba uranium enrichment plant has been producing highly enriched uranium since 1978. We estimate that this is long enough to have produced highly enriched uranium for several nuclear weapons. (S)

NE NC [REDACTED]

South Africa-Israeli Nuclear Cooperation

[REDACTED]

- South African and Israeli military officials hold meetings every four to six months to discuss the status of their military relationship, but conduct routine business through military attaches in their respective embassies.
- South Africa supplied the Israelis with depleted uranium for anti-tank rounds, as well as natural uranium rods during the period from 1972-75.

~~SECRET~~

[REDACTED]

We believe that military cooperation between Israel and South Africa has been extensive, necessitating regular contact between Israeli and South African military officials. Israeli officers are regularly invited to lecture in South Africa and South African military personnel have participated in a variety of Israeli training programs. The intelligence relationship is also quite intimate, as is symbolized by Tel Aviv's appointment in 1979 of the former head of the Israeli intelligence service as Ambassador to Pretoria. The list of weapons of Israeli origin in the South African arsenal--Reshef-class patrol boats, Gabriel surface-to-surface missiles, Galil rifles, and Uzi submachineguns--is testimony to large-scale arms deals in the past. Delayed deliveries from agreements reached before the UN arms embargo in 1977 and the South African use of Israeli middlemen to gain access to commercial international arms deals makes it difficult for us to assess current arms trading between the two countries. We have no hard evidence refuting Tel Aviv's official denials that it has violated the UN arms embargo. ~~(S-REF)~~

Other than South Africa's sale of 10 tons of nominally safeguarded uranium to Israel in 1963, we have little confirmed information about South African-Israeli nuclear cooperation, despite numerous reports and/or rumors linking the two states. Given Israel's overall technical expertise and South Africa's uranium resources and enrichment technology, each side could contribute to the nuclear weapons program of the other.

[REDACTED]

Nonetheless, we have no confirmed reports of equipment or technology transfer, nor do we know whether South Africa is still providing uranium. ~~(S-REF)~~

[REDACTED]

Pages: 4

Exemptions: (b)(1), (b)(3)

Africa Review (X)

Approved for Release _____
Date 5-7-96

8 December 1989

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8 December 1989

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Africa Review ~~(S)~~

8 December 1989

Articles

Page

1

South Africa: Igniting a Missile Race? ~~(S)~~

7

South Africa may have produced the solid propellant motors for the short-range ballistic missile launched from the Armscor Missile Test Range in July and is apparently preparing for series production of solid motors that could be used in both ballistic missiles and space launch vehicles, ~~(S)~~

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8 December 1989

Text not applicable

Page 1-6

~~Secret~~

South Africa: Igniting A Missile Race? ~~SECRET~~

South Africa may have produced at least the solid propellant motors for the short-range ballistic missile (SRBM) launched from the Amstutz Missile Test Range in July and is apparently preparing for series production of solid motors that could be used in both ballistic missiles and space launch vehicles. Such a production capability allows Pretoria to develop ballistic missiles in spite of the Missile Technology Control Regime and United Nations embargo efforts and may ignite a missile race on the African continent. ~~SECRET~~

Pretoria's Ballistic Missile Program

South Africa's missile development program began in 1963 under the direction of the Armaments Corporation of South Africa (ARMSCOR). Early development programs focused on surface-to-air, air-to-air, and cruise missiles. In the early 1980s, signs of preparation for ballistic missile development were observed. ~~SECRET~~

Two facilities for producing solid propellant, Somerset West and Irene Missile Component R&D and Production facilities, were expanded after 1983; construction began at Amstutz for the test range in 1984. By 1986, South Africa had completed construction of facilities capable of producing ballistic missile-sized motors at Somerset West and, in July 1989, Pretoria launched its first ballistic missile from the Amstutz Missile Test Range. ~~SECRET~~

In the months preceding the July launch ~~SECRET~~

~~SECRET~~ the question arose after the launch as to whether South Africa had launched an Israeli-produced missile or one that South Africa had produced indigenously. Ample evidence exists linking Israel to South African military programs, therefore the possibility of a direct transfer of missile components from Tel Aviv to Pretoria cannot be

discounted. However, analysis ~~SECRET~~ suggests that South Africa may have produced the solid motors used for the July launch. ~~SECRET~~

Ballistic Missile Production

~~SECRET~~ South Africa is preparing for series production of ballistic-missile-size motors and that Somerset West will probably be the site of this production. Although static test facilities exist at Somerset West, the Pringle Bay test facility is the only one to be identified that appears capable of testing motors of ballistic missile size — a necessary procedure for series production. ~~SECRET~~

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Pages: 8

Exemptions: (b)(1), (b)(3)

~~Secret~~



[REDACTED]
Irene, which is about 15 kilometers south of Pretoria, is primarily associated with research, development, and production of tactical missiles. This facility does not appear capable of supporting series production of ballistic missile motors and is about 1,300 kilometers from the static test facility at Pringle Bay and the Armscor Missile Test Range, making Irene an unlikely location for series production of ballistic missile motors.

neighboring African nations, who will probably seek ballistic missiles of their own to counter any perceived South African advantage.

[REDACTED]
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Outlook

South Africa appears committed to series production of ballistic missiles. Such production will alarm

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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO. [REDACTED]

DATE DISTR. 18 Mar 1949

NO. OF PAGES 8

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(LISTED BELOW)

SUPPLEMENT TO
REPORT NO. [REDACTED]

COUNTRY Israel/Arab States

SUBJECT Observations Concerning Palestine and the
Arab Countries

PLACE [REDACTED]
ACQUIRED [REDACTED]

DATE ACQUIRED BY SOURCE [REDACTED]

DATE OF INFORMATION [REDACTED]

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SOURCE [REDACTED]

OBSERVATIONS CONCERNING PALESTINE AND THE ARAB COUNTRIES

NOTE: [REDACTED]

The Military Situation in Palestine

The new State of Israel is strong in military equipment, finances, and morale, and possesses a striking power which could easily seize the remainder of Palestine as well as adjacent parts of Lebanon, Syria, or of Egypt north of the Suez Canal. It is probable that the next military adventure will be to annex the Jerusalem area. The Arabs cannot successfully renew the appeal to arms; they lack unity, leadership, arms and airplanes.

This is a striking reversal in the situation as it was on June 1, 1948. Israel then was screaming for high altitude "Gnat" aircraft, "order from the United Nations" whereupon the Arabs "forced" the first truce using explicit threats to Arab countries. At that time the Arabs, assured by treaty with Britain of continued supply of arms and ammunition, were on the offensive, had reached a point eight miles from Tel Aviv, and had cut to the coast between Haifa and Haqura. With the truce and its stipulation that neither side should get military advantage of any kind during the truce, Britain suspended the military supplies to the Arabs previously delivered in accordance with treaty agreements. Meanwhile, however, arms procured from many sources -- including more than fifty Messerschmidt fighters -- poured into Israel. By the time the first truce expired these Messerschmidt fighters took complete control of the air and were able to disperse enemy infantry and to "strafe" Arab towns and villages. Just as before Dunkirk British and French troops had been rendered impotent by Messerschmidt planes.

Arab morale was further damaged by the success of British diplomacy in detaching Trans-Jordan and Iraq from the joint Arab military program, and by the battle defeats inflicted by Israel on the Arabs in the successive seizures by Israel of Arab territory. At the same time, United Nations orders to retire to positions held at the various cease-fire dates.

CLASSIFICATION [REDACTED]

APPROVED FOR [REDACTED]

DATE [REDACTED]

911105

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II. A Long-Range Disaster.

The establishment of the State of Israel by force, with intimidation of Arab governments by the US and the USSR, with the cutting off of British arms and ammunition (the Arabs' only source of supply), with ample sources for Israel of munitions and finance, the Israeli battle-victory is complete, but it has solved nothing. If boundaries to an Israeli State, any boundaries, had been set and guaranteed by the Great Powers, peace might return to the area. On the contrary, we have actually a victorious state which is limited to no frontiers and which is determined that no narrow limits shall be set. The Near East is faced with the almost certain prospect of a profound and growing disturbance by Israel which may last for decades.

(a) Instead of restoring the boundaries of the Province of Judea as they were in 70 AD, the Israeli leaders now state freely, though usually unofficially, their demand for an ever-expanding empire. Their present possessions are regarded by them as only a beachhead into the Arab and Muslim World -- a large part of which they intend to exploit. They are not prepared to live off what that land will yield as the Arabs do.

(b) The index of the cost of living in Israel has risen to 500% of what it was in that area from 1933 to 1939. Having driven out the Arabs from their homes, Israel lacks cheap labor, and without a very large per capita subsidy the economy of the state would soon collapse. This the Israeli Government intends to prevent by continuing to secure funds from Zionists and other sympathizers abroad by large loans, and, as soon as possible, by the exploitation of the Arab hinterland, especially the agriculture and industries of Syria and Iraq.

(c) Alone among the Great Powers, Britain has been working on a plan to restore a balance between the forces in Palestine, but it already appears that this plan is probably doomed to fail. Zionist pressure in the USA, Anglophobia in Iraq and Egypt, and above all, Russia's determination to prolong chaos in the Near East and to complete the discrediting of British and American diplomacy, combine to work against the policy of the British Government and its collaborators. -- King Abdulla of Trans-Jordan and the Prime Minister of Iraq, Nuri Said.

(d) The duration of the disaster is guaranteed also by the unsolved problem of 700,000 Arab refugees. Whether or not these refugees are fed, clothed, and kept alive for the time being, they remain as a primary source of resentment, distress and continuing expense. No workable plan has been proposed for their resettlement in a gainful livelihood. Israel sneers at the UN order to repatriate or compensate them. Riots have already taken place in some of the refugee camps and refugee leaders have addressed their followers in vituperative language, denouncing Americans, British, Zionists, and Arab League failures, of which they are the helpless victims. They include many intellectuals who are more than ripe for for Communist propaganda, some of whom are now meeting regularly in Aleppo.

III. Arab Politics

Since the Arab military defeats and the complete rebuff of the Arab position at the United Nations Assembly in Paris, the Arab League has practically disappeared as a political force, and the several Arab countries are pursuing nationalistic policies looking for allies and friends.

Only Saudi Arabia, Egypt, and perhaps Lebanon have a good chance to succeed in maintaining their independence by following the new isolationist policy. Saudi Arabia alone follows a completely realistic policy of refusing to commit suicide for sentimental or fanatical reasons. Egypt is still internally insecure and with recurring assassinations and rioting may face internal upheaval and the liquidation of the upper classes.

Iraq, potentially wealthy in natural resources, would be the first to fall into Communist control. Although intelligent leaders have managed to hold Syria together, it is believed by some foreign diplomats and many Arab leaders that Syria, as a nation, will break up in two or three years, with autonomous shaykhdoms in Aleppo, Hama and Hama, a Kurdish puppet province in the Jezireh, and with the Jebel Druze delivering Damascus to Abdulla of Trans-Jordan unless the Israelis get Damascus first.

IV. The United Nations

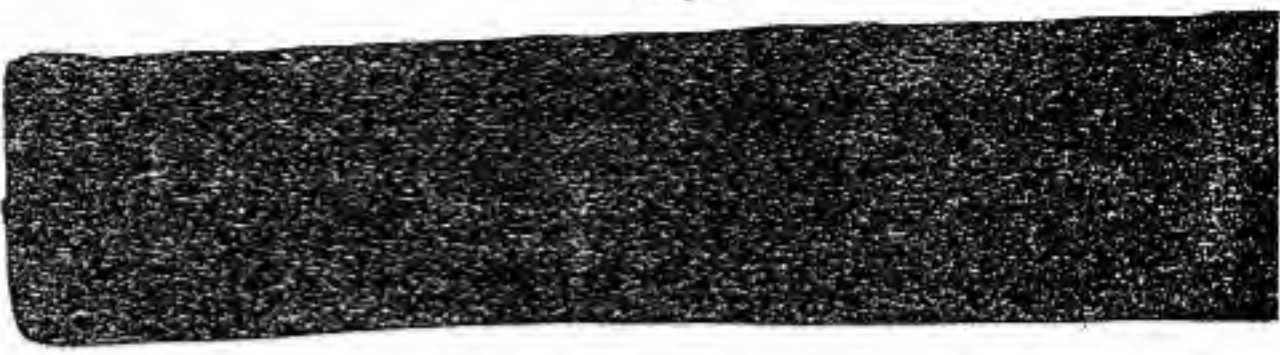
The United Nations is already completely discredited in the minds of the Arab Governments and the Arab peoples. There are many reasons for this, but the evidence usually cited is the failure of the UN or the Mediator to enforce UN orders to Israel. For example:

- (a) To prevent arms and Czechoslovakian airplanes from reaching Israel.
- (b) To deliver the assassins of Count Bernadotte, although their identity is known to hundreds of Jews.
- (c) To repatriate or compensate over half a million refugees.
- (d) To permit UN observers with Israeli forces when they are on the offensive.
- (e) To retire to the lines occupied at the October 14 "cease fire" period.
- (f) To evacuate areas given to the Arabs by the UN proposal of November 29, 1947; although at the same time insisting upon invading the Negev, to excuse which they quote the same UN partition proposal. (The Arab areas occupied in defiance of the UN, include Western Galilee, Jaffa, Nazareth, and villages over the Lebanon frontier.)
- (g) To respect the international character of the Jerusalem area.

V. Russia's Purpose

Although Russia has officially sided with Israel she is actually on the side of disorder and hunger. Russia and her satellites armed Israel to an extent few people in the United States understand; but Communists are also active among the Arabs. They may upset the Iraq Government at any time; they have succeeded in establishing contact with the President of Syria to whom overtures have been made; they have captured the leadership of Arabs in Nazareth, Jaffa, and Acre, who are despairing of any effective help from Arab countries and are turning to Communism. (In Nazareth, for example, no one can hold or get a job without the permission of the Communist boss.) The USSR will help Israel expand until the Arab Governments, as well as British and American policies are completely discredited. The Russians will then decide whether to make a puppet of the Zionists or of the Arabs — if the situation in the Near East continues to degenerate. Russia may find both parties begging for the honor. The Prime Ministers of two Arab countries told us they have reason to believe that, blocked in Western Europe, Russia will divert her Cold War to the "soft-underbelly" of the Near East.

[X E Y] to the identity of persons whose opinions are given in the text below



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SUMMARY OF COMMENTS BY CERTAIN PERSONALITIES MADE IN PRIVATE
INTERVIEWS — December 17, 1948 to January 19, 1949.

Key Designation

A. "Propaganda has failed; the UN has failed; the Arabs are divided. What is the use of empty threats by Farouk, Ibn Saud, etc., when there is nothing they can deliver?"

"Abdulla at least has a program. No one else is acting effectively. He is the lesser of evils, although he is not reliable himself. But he might stop the Jews.

"Syria suffers from no program. There is profound discontent, a demand for a real economic program. Otherwise the country will be bankrupt and in chaos.

"Only a Greater Syria will provide the economic means to enable the northern Arab countries to avoid revolution and escape Communist domination. This Greater Syria, however, should not be under the crown of Abdulla of Transjordan, but under the crown of the King of Iraq, with viceroys representing him in Syria, Transjordan, and Palestine.

"The northern countries cannot hope for support from Egypt or Saudi Arabia from which they are separated physically by Israel and by the unreliable British puppet, King Abdulla. In spite of the infiltration of Iraq by Communist propaganda, I feel sure that Iraq is more secure than Egypt, where the Muslim Brotherhood will continue its assassinations, and where King Farouk keeps a plane fueled up for a quick departure to his happy hunting grounds in Rhodesia."

B. "I have no confidence in the new Syrian Government. Syria cannot be saved by a reshuffling of the same faces in the Government -- most of whom are content to hold office and draw salary. Syria cannot be lifted from its demoralized condition after the Palestine defeats, or preserved from the threat of bankruptcy and of civil strife unless there is a profound reform and a constructive economic program reaching and benefitting the common people. So far as Aleppo is concerned, we have no reason to believe that the new Syrian Government will be any better than its predecessors."

C. "The last chance for a peaceful and reasonable solution of the Major Powers was the Bernadotte Proposal for the frontiers between Israel and Arab Palestine. At that time I still believed that there was a chance for UN officials and the general American public to consider limiting Israel to reasonable frontiers which would leave in Arab hands the principal centers of Arab population. Unfortunately no Major Power supported the Bernadotte Plan. After Bernadotte's assassination, I spoke with the two top men responsible about the solution I have described, and both said, 'Yes, that is a very sensible plan and a very fair solution if it could be arranged.' But nothing ever happened about it. It was like a subject of the weather -- which Mark Twain said everybody talks about but no one does anything about."

D. "Strange as it may seem to you, I now favor the partition of Palestine. Convinced as I am that the Zionists will continue their aggressive policy of expansion in the effort to exploit the Arab World, I think we Arabs are much better off to have Israel behind definite frontiers resulting from partition than to have to include the Zionists in a single State of Palestine and have them, with their propaganda and endless financial resources, gradually work from within Arab Councils and the Arab League to undermine Arab interests. I believe it is better to have your enemy in a neighboring lot with a fence between, behind which he is supposed to stay, than it is to have him as a part owner of your own farm with freedom to roam all over your own house and property."

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E. "I am concerned about nepotism in the Saudi Arab Government, especially with regard to the Royal Family and the Minister of Finance. Other advisors of the King seem to rise or fall in accordance with their personal services, but the Minister of Finance is entrusting members of his family in positions of Government responsibility without regard to their competence. His nephew, who is practically an idiot, is getting too much control of finances. Although the King makes good use of a few of his older sons, some of the others are intriguing and running up debts in a way that does not promise well for their conduct if the King should die, and they should be free to suit themselves. In my opinion, Saudi Arabia is entirely too much bound to the Royal Family and to the family of the Minister of Finance, without any opportunity for others to reach positions of responsibility."

F. "I myself and a number of my family have lost all faith in the program of the Mufti and in any of the Arab leaders proposing plans for Palestine. Together with three of my cousins, [REDACTED] we are in close touch with the Communist agents with whom we meet regularly. As a good Muslim, I do not believe in the Communist doctrine, but I also do not believe that Russia is helping the Jews because she cares about them. Opposed as we are by American sympathy for Israel, and abandoned as we are by the British who used to supply us with arms, we shall look for help wherever we think we may find it; and I believe that we may find help in Russia, to whom your country also turned when you were fighting for survival in the recent war."

G. "We still feel the way we did about Palestine, but the Arab program for Palestine has been defeated for the time being; in fact, there was never really any agreement on an Arab Plan for Palestine. King Abdulla would sell his fellow Arabs into slavery or permit them to perish if he could increase his own power. You may be sure that Saudi Arabia will follow a realistic course in its own national interest and will not be diverted by any sentimental or fanatical considerations, nor by any foreign interference. Insofar as we can do so without the loss of independence we shall cooperate fully with Americans and British in economic matters and in the technical developments needed in Arabia, but in politics we shall be very careful before deciding what other countries or governments will be our friends."

H. "I believe that popular enthusiasm for Israel has passed its peak with the successful establishment of that State. I understand that some of the principal Jewish supporters are already cutting down their contributions, and it may be that financial resources will steadily dry up. If this is understood and believed by Israeli leaders, they may be willing to compromise their ambitions and settle down in a limited state such as the territory they now occupy. If, on the other hand, they are confident of continuing resources, the extremists may win out, and they may continue to seize additional territory. This continues to be the chief threat to peace. The United Nations has not been able to agree on definite borders for the Israeli State which already administers territory it was never contemplated she should have; and without agreement among the powers to establish the frontiers, the hope for peace depends upon the reasonableness of both Jews and Arabs in accepting boundaries that constitute a compromise, and then remaining within those boundaries."

I. "The leaders and the people of Israel, as I have seen them in Haifa, Tel Aviv and elsewhere during the past eight months, are exultant and confident as a result of their victories, and of their recognition by the world powers. They include many men with brains and ability, and they have ambitious plans for their State."

"In spite of what some Israeli leaders have claimed, the Israelis drove the Arabs from their homes and never invited them to remain peacefully in Israel until after they had left and their property had been confiscated. The homes have been and are being rapidly filled with Jewish immigrants. This is true of the cities and towns; as for the small villages and farms, the present procedure is to obliterate and plow up the Arab hamlet or farm and build a Jewish settlement with a new name, wiping out all trace or record of their previous Arab location and property. The purpose in all of this is freely admitted — that the Israelis want to make impossible the compensation of Arabs driven out even though such compensation should be forced upon them in principle."

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by some world authority. How can one estimate the value of a home and property which has been obliterated, and of which no record remains? There is no question about it in my mind: Arabs will not be permitted return to Israel and compensation will not be made to them. On the other hand, there is a desperate effort being made to invite back certain Arabs with Communist leanings who may be used for propaganda purposes against their fellow Arabs. A few hundred such Arabs have returned upon the invitation of Israeli authorities.

"The Israeli military leaders have told me that if the first truce had not come when it did they would have lost the war. During the three months following the first truce, the airplanes-with-mechanics which arrived from Czechoslovakia and the arms and explosives purchased in many places, coupled with the complete embargo on arms to the Arabs and political dissension among the Arabs gave the Israelis a striking force which was decisive.

"Israel still faces a major problem even if she does succeed in controlling her extremists and expansionists. This is the problem of maintaining the standard of living which she has thus far enjoyed by virtue of a very high subsidy from abroad. The cost of living in Haifa and Tel Aviv is 500% of the average cost of the period 1933 to 1939. There is no cheap labor; wages and rents are exorbitant.

Key Designation

"The people cannot possibly live off the land and sell their produce to compete with the Arabs in neighboring countries, who are raising the same fruits and vegetables at less cost. The danger in this situation is that Israel will not accept a lower standard of living nor reduce her population to the number which the land would support. She expects to maintain the prosperity of the country either (1) by continued financial support from the Jews of the world and their sympathizers, or (2) by exploitation of the neighboring Arab countries where she expects to find the cheap labor and the raw materials."

J. "I have seen Bunch and General Riley several times. Both were hopeful of a Palestine settlement, if Zionists could be restrained.

"British General Gale, commanding Suez Canal Zone, and U.S. Admiral Sherman, are ready to act to protect their nationals, or evacuate them from the area.

"Ambassador Griffis acted on the Bernadotte Plan, sought to secure Arab agreement to it, only to be slapped down by Washington. One day Griffis told me he had received the same day four telegrams from Washington all mutually contradictory... Wealthy Jewish friends of Griffis in the U.S.A., when he tried to secure their support for the Bernadotte Plan, slapped him down and refused to back him as they promised to do... Griffis hoped to get Egypt in line to have Egypt withdraw from the Arab group and align itself with the West, leaving Syria and Lebanon in the lurch... Griffis never permitted any telegram or despatch from the Embassy to carry any anti-Jewish news, nor any anti-Arab news. Ireland is more free to report the truth of Israeli violations, etc., since Griffis has left... Israeli recruits in the last six months have been 40% from behind the Iron Curtain."

K. "Britain is backing Abdulla of Transjordan, with the purpose of Balkanizing the other Arab countries and making them come crawling to Britain for protection and separate treaties. It is all a matter of arms, planes, military transport, and Britain will deal it out to her puppets alone."

L. "Syria will go to pieces in time. There is no powerful friend, too many centrifugal forces pulling it apart. Abdulla is nothing in himself, no resources, natural or financial. He must therefore be a puppet and cannot act independently. He is a safe investment until the British drop him."

M. "A die-hard: Arabs must maintain morale and never compromise. I was against war but having embarked, the Arabs must keep it up, cold and hot, until victory, no matter how many years. Morale must be sustained. Dunkirk, Stalingrad, prove one can survive temporary battle defeats, provided the will-to-victory remains. Abdulla will be thrown out of Arab League, and the fight will go on. The Israelis are NOT invincible. How can three-fourths of one million Jews overcome thirty-five million Arabs in the long run?"

Key Designation

N. "Lebanon -- most stable and reliable Arab country. Tapline would be decisive in its economy, and successful. Griffiths is wrong in urging Egypt as a better route. Egypt's future will be decided by other factors. (You cannot marry Egypt to reform her -- she is too far gone.) Egypt is less secure as a pipeline route than Lebanon.

"Syrians are convinced of Tapline's value. When a government is formed it will ratify early. To be sure, Syria is precarious, and in a couple of years it may be broken up by the Greater Syria plots of Abdulla, but whoever owns and governs the Tapline area will probably be sensible enough to protect it.

"When I got an autographed photo from Abdulla, the King signed it in red ink, 'the color of the Hojar', but I think Britain would not allow Abdulla to attack Saudi Arabia.

"In time, Abdulla will probably take over the Jebel Druze and Damascus. He will not touch Lebanon which, he said, 'is like a beehive, very active and full of honey, but better not stick your finger in.' At the same time, the Communists may take over northern Syria, the Jazirah, Aleppo, etc. The Soviet Minister to Syria and Lebanon, reported to be on indefinite leave or transfer, suddenly returned to his post.

O. "In our opinion, no Syrian Government formed now will be stable. The discontent is too profound.


"Well-known Communist sympathizers among the Arab refugees have been invited back to their homes by Israel, and have gone back. Russia is arming Israel and preparing some day to take over the internal government. The Israelis have been successful in winning the favor of observers by lavish hospitality, including champagne and Jewish women."


P. "The U.S. Government has lost both Israel and the Arabs. Israel is already a tool of Russia. The Arabs can never cooperate with Russia, but they have lost all faith in the U.S. Their only hope is to refuse to agree to any rape of their land. Let the Jews seize what they can, they will over-extend themselves and fall in the end. The Arabs will not and cannot submit."


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//(("NEWS" PROGRAM))

1. HEADLINES (35 SEC);
2. VIDEO REPORT ON CNN TELEVISION STATION REPORTING ON LATEST DEVELOPMENTS IN GULF, IRAQI MISSILES HIT TEL AVIV, INTERVIEW WITH ISRAELI AMBASSADOR TO BUDAPEST ON ARAB UNITY, PRESIDENT BUSH PRAISING ISRAEL FOR RESTRAINT, EGYPT WILL REMAIN IN THE ALLIED COALITION EVEN IF ISRAEL INTERVENES IN THE GULF WAR, KING HUSAYN OF JORDAN IN AWKWARD POSITION (5.35 MIN);
3. INTERVIEW WITH HIKMAT ZAID, PALESTINIAN AMBASSADOR TO BUDAPEST, ON ARAB UNITY (35 SEC);
4. VIDEO REPORT ON FRENCH JAGUARS DEPARTING FOR GULF REGION (45 SEC);
5. VIDEO REPORT ON PEACE DEMONSTRATIONS IN BERLIN (45 SEC);
6. VIDEO REPORT ON MOSCOW STILL URGING DIPLOMATIC SOLUTION IN GULF (1 MIN);
7. VIDEO REPORT ON MASSIVE PEACE DEMONSTRATIONS IN ROME (1.10 MIN);
8. VIDEO REPORT ON CNN TELEVISION STATION INTERVIEWING ISRAELI DEPUTY FOREIGN MINISTER, ISRAEL REFRAINING FROM INTERVENTION (30 SEC);
9. VIDEO REPORT ON HUNGARIAN DEFENSE MINISTRY SPOKESMAN COLONEL GYORGY KELETI HOPING FOR NO ESCALATION OF GULF CONFLICT (50 SEC);
10. VIDEO REPORT ON GOVERNMENT CRISIS IN MOSCOW, DISSENT AGAINST PRESIDENT GORBACHEV (1 MIN);
11. VIDEO REPORT ON SHARP DROP IN INTERNATIONAL OIL PRICES, MINISTER OF TRADE BOD STATING THAT HUNGARY HAS SUFFICIENT ENERGY AND FOOD RESERVES (2.05 MIN);
12. VIDEO REPORT ON MILK PRODUCERS COMPLAINING ABOUT LACK OF GOVERNMENT REPRESENTATION, SURPLUS OF MILK IN HUNGARY (1.10 MIN);
13. VIDEO REPORT ON SMALLHOLDERS' PARTY RECLAIMING LAND IN HAJDU-BIHAR COUNTY (1.10 MIN);
14. VIDEO REPORT ON INTERNATIONAL CONFERENCE IN BUDAPEST TO PROMOTE HIGHER EDUCATION (1.20 MIN);
15. VIDEO REPORT ON FIRST CONGRESS OF HUNGARIAN GYPSY ASSOCIATION, PRESIDENT ARPAD GONCZ ADDRESSING MEETING (1.05 MIN);
16. VIDEO REPORT ON UNIDENTIFIED FLYING OBJECT SPOTTED IN KECSKEMET (1.15 MIN);
17. SPORTS AND WEATHER (2 MIN). 2101.03 [REDACTED]

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7 September 1954

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NATIONAL INTELLIGENCE ESTIMATE NUMBER 36-54

PROBABLE DEVELOPMENTS IN THE ARAB STATES

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the
INTELLIGENCE ADVISORY COMMITTEE

on 7 September 1954. Concurring were the Special Assistant Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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PROBABLE DEVELOPMENTS IN THE ARAB STATES

THE PROBLEM

To analyze basic trends in the domestic and foreign affairs of the Arab states, and to estimate probable developments through 1956.¹

CONCLUSIONS

1. Political instability, both regional and national, in the Arab states may be expected to extend into the foreseeable future. Area political problems mainly grow out of the unresolved conflict between Western culture and the traditional values and institutions of the Arab world. The Arabs have not yet found a native solution to this conflict, but they have found expression for their discontent and frustration in nationalist and other movements, which, at least in the short run, increase general instability. Another factor contributing to political instability is the intense preoccupation of Arabs with the Arab-Israeli conflict.

2. Indigenous leadership has shown little ability to cope with the problem of in-

creasing production sufficiently to meet the requirements of growing populations and the need for improved standards of living. It is probable that economic maladjustment will become an increasingly important factor for social and political instability. As economic problems assume greater importance relative to or become identified with political problems, there will be an increasing tendency to seek extremist solutions of the right or left.

3. The governments of the Arab states will continue to be unstable and subject to change. The most serious threats to their tenure will come from the extremist elements of the right and left. The key to the maintaining of a degree of governmental stability in the area during the period of this estimate is the power of the established governments to maintain control of the armed forces and to prevent the moderate opposition from joining with the extremists.

4. While current conditions and trends in the Arab world on the whole are adverse to the continuation of special military, political, and economic positions for the West, settlement of the Suez issue with the UK and prospects for US military and economic assistance may provide a new

¹ For purposes of this estimate the Arab states include Egypt, Iraq, Syria, Lebanon, Jordan, Saudi Arabia, Yemen, the principalities of the Arabian Peninsula, and the Sudan. The Sudan is included, although only its northern half is Arab and Moslem, because of its special relationship with Egypt. Libya is omitted because it is covered in NIE 71-54, "Probable Developments in North Africa."

Note: (a) NIE-73, "Conditions and Trends in the Middle East Affecting US Security," 15 January 1953 and NIE 30-54, "Prospects for Creation of a Middle East Defense Grouping and Probable Consequences of such a Development," 22 June 1954 deal with subjects related to this estimate.

(b) Appendix I contains comparative data on the principal Arab states.

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basis for Arab-Western collaboration. However, Arab collaboration with the West will be influenced by the extent to which Western policies are brought in line with the most fundamental Arab desires; e. g., the elimination of the British position in the Near East currently based on "unequal" treaties, further change in US treatment of the Arab-Israeli question, and, to a lesser extent, change in France's policy towards its North African possessions. Arab resentment of British "imperialism" and the reduction in the British world power position will continue to limit the effectiveness of British influence.

5. The petroleum producing countries are likely to press the Western oil companies for further benefits, but such pressures are not likely to lead to nationalization during the period of this estimate, except possibly in Saudi Arabia.

6. Official relations between the Arab states and the Soviet Bloc have been increasing, but most Arab governments are probably not anxious to engage in closer relations with the Bloc. However, they might do so on occasion if they believed they could thereby bring pressure upon the Western Powers.

7. Communist activity in the Arab states has increased noticeably over the past year, and continued instability in the area will favor a further increase in Communist activity and strength. However, within the period of this estimate it is not likely that Communists will take control of the government of any Arab state. Improved relations with the West would probably eliminate some of the political appeal of Communist and pro-Soviet propaganda and improve the ability and willingness of Arab governments to at-

tempt to correct the conditions which contribute to Communism's appeal. However, the elimination of factors aiding Communism and pro-Soviet attitudes will be a slow process.

8. The idea of Arab solidarity against the rest of the world exerts a strong appeal among Arabs, but the Arab League will probably continue to function effectively only for such negative purposes as opposition to Israel. Moreover, there are serious rivalries among the Arab states, and Egypt and Iraq are vying for leadership. Effective military cooperation among the Arab states is unlikely during the period of this estimate, even under their own Arab Collective Security Pact.

9. The Arab states will probably continue the economic and political boycott of Israel and will refuse to meet with Israel for the purpose of negotiating a formal peace settlement. However, in dealing with specific problems of Arab-Israeli relations short of a general peace settlement, some Arab leaders have recently appeared less intransigent. On the other hand, the Israeli policy of "active defense" and the redeployment of Arab troops to border areas increase the danger that border incidents could lead to extensive armed conflict. If such conflict took place during the period of this estimate, it is probable that the comparative military capabilities of the two antagonists would prove to be much the same as they were at the time of the Palestine War of 1948-1949.

10. The Egyptian Revolutionary Command Council's (RCC) short-term prospects of maintaining itself in power are favorable. The Wafd Party and the Moslem Brethren will remain capable of causing serious trouble for the regime, and any such efforts would probably be aided

by the Socialist and Communist groups. Moreover, the RCC faces serious political and economic problems upon the solution of which will depend its longer term tenure.

11. Iraq's traditional ruling oligarchy will probably remain in power during the next two or three years, but its effectiveness would decline if Nuri Said were removed from the scene. Iraq's policies toward the other Arab states will continue to be influenced by the conflict between its ambitions to achieve Arab leadership against the opposition of Egypt and Saudi Arabia and its desire for continued Arab soli-

darity. Iraqi leaders are aware of the Soviet threat and favor joining some sort of regional defense organization which the US would support.

12. Saudi Arabian relations with the US Government and ARAMCO deteriorated over the past year. There are current indications that Saudi Arabian relations with the West are undergoing a change for the better. However, if the general deterioration of relations which took place during the past year should continue, the US Government might have difficulties when the Dhahran airbase agreement comes up for renewal in 1956.

DISCUSSION

1. REGIONAL PROBLEMS AND PROSPECTS

13. Area political problems mainly grow out of: (a) the social and historical relationships in the Arab world itself, and (b) the unresolved conflict between Western culture and the traditional values and institutions of the Arab world. This conflict is reflected in the century-old struggle on the part of the Arabs to strengthen themselves in order to prevent their political, cultural, and economic submergence by alien forces. The psychological state created in the process has given rise to ambivalent attitudes toward Europe and the US which are reflected in the general attitude toward the Soviet Bloc and the West.

14. There are certain trends and conditions common to most of the Arab states.² For at least three decades, society in all but the most remote parts of the Arab world has been undergoing an increasingly profound and occasionally violent revolution. The political, economic, and cultural impact of the West has led to the decaying of traditional Arab values and institutions and is a basic factor in Arab world instability. Arabs have become increasingly resentful of the special interests and

privileges of Western nations in Arab countries. Moreover, with the end of British and French tutelage, the responsibility of leadership has shifted to indigenous elements often ill-prepared to assume it. Finally, the backward economies of the Arab states have felt for some time the disruptive effects of contact with Western commerce and industry. The Arabs have not yet found a native solution to the conflict between new conditions and old systems that would restore the foundations of stability.

15. Despite their common Islamic religious and cultural heritage, diversity is a stronger characteristic than uniformity among the Arab states. Their political development varies widely, from the Arab traditionalism of Saudi Arabia's absolute monarchy to the partially Westernized governments of Iraq and Lebanon and the reform-minded military regime in Egypt. In addition, there are great differences between the states with respect to their social and political stability, economic resources and needs, and military and strategic importance.

16. The widespread discontent and frustration in the Arab world have found expression in nationalist movements. The doctrines

² See NIE-73, "Conditions and Trends in the Middle East Affecting US Security," 15 January 1953.

of nationalism are not well-defined, and different nationalists emphasize different aspects. In general, however, the nationalists seek: (a) the removal of the last vestiges of imperialism and the recognition of the complete sovereignty of the Arab states; (b) social and economic reforms in the interest of public welfare and the increase of national strength; (c) cooperation among all Arab states and peoples for common ends, including satisfaction of Arab grievances against Israel; and (d) a revival, in varying degrees, of their past glories.

17. Nationalism is strongest among the members of the growing Westernized middle sector of Arab society — urban intellectuals, students, military officers, small businessmen, and government employees. It also has considerable mass emotional appeal, especially in the cities. Its influence on government policies is most apparent in states like Egypt and Syria, where the governments are susceptible to the influence of public opinion and mass pressure tactics.

18. Nationalist movements espouse both parliamentary and authoritarian political forms. In all states, however, the spread of nationalist doctrines has tended to weaken the traditional power of the landlords, tribal leaders, and wealthy merchants who previously dominated most Arab governments with the support of interested Western powers, in most cases the UK. At least in the short run, this trend increases the likelihood of instability.

Internal Problems of the Arab States

19. *Political stability.* The governments of the Arab states will continue to be unstable and subject to frequent change. The key to the maintaining of a degree of governmental stability in the area during the period of this estimate is the power of the established governments to maintain control of the armed forces and to prevent the moderate opposition from joining with the extremists. Long-range prospects for stability will depend upon the success of Arab leadership in satisfying popular aspirations by moderate and constructive reforms and in providing relatively efficient government.

20. The most important threat to political stability will come from the fanatic anti-Westerners and the Islamic traditionalists on the right and from left-wing elements often under Communist influence. In some cases these extremist groups may unite against the conservative or moderate nationalist leadership, and may even be joined by disaffected members of the old ruling class. While such an alliance is unlikely to be durable, it might gain control temporarily in some states.

21. *Economic problems.* Serious and in many cases apparently insuperable economic problems will contribute to instability in all Arab states during the period of this estimate. In most of the Arab states, production is inadequate to support the growing population; in some, such as Egypt, Jordan, and Lebanon, the production potential is so severely limited that future prospects are discouraging. Even those countries which get substantial revenues from oil are finding it difficult to adjust themselves to new techniques, machinery, social changes, and opportunities rapidly enough to satisfy the sometimes exaggerated expectations of the public.

22. Indigenous leadership has shown little ability to cope with the problem of increasing production sufficiently to meet the requirements of growing populations and the need for improved standards of living. While considerable attention has been paid to the need for development planning, governments have allowed themselves to be diverted by excessive preoccupation with such political issues as anti-imperialism and the Israeli problem. A shortage of technicians and competent administrators is also an important limiting factor.

Communism in the Arab States

23. International Communism has in the past made a comparatively small effort in the Arab states and has as yet won only a small foothold. Communist parties are illegal, and Communists operate clandestinely or through front organizations. During the past year, however, there has been a noticeable increase in Communist activity in the area. The strongest national organizations are to be

found in Syria, Lebanon, and Iraq. The Syro-Lebanese group is the key party in the area. The Communists in Iraq have been very active recently, but government countermeasures may reduce their strength. The Jordanian party, although very small, has shown increasing strength during the last few months. Several Communist groups operate in Egypt, but there appears to be no unified party there. Palestinian and Jordanian Communists had a part in the strike of Arabian American Oil Company (ARAMCO) employees in Saudi Arabia in October 1953. The leaders of the strike were Saudi Arabs, none of whom are known to be Communists. There is no evidence that an organized Communist party exists in that country. Arab Communists receive support from the Soviet Bloc through Soviet and Satellite diplomatic missions, with those in Cairo and Beirut being the most active.

24. On the whole, the strength of the Communist movement in the Arab states lies not in the appeal of its ideology but in its ability to relate itself to existing dissatisfactions and adjust its propaganda to exploit nationalism and the grievances of ethnic and religious minorities. Communists rely heavily on the successful agitation of the general hostility toward vestiges of Western imperialism, distrust of the established authorities, and widespread dissatisfaction with prevailing economic and social conditions.

25. Local and international efforts to expand Communist influence in the Arab states during the next few years will almost certainly continue to encounter numerous difficulties. Arab governments and peoples will continue to regard Communism as an alien and hostile influence. Strong family, tribal, and religious ties will make difficult the organization of a popular front against existing regimes and Western influence. Although Communism's chances of acceptance are greater among the Westernized elements, it is precisely here that it has to compete most strongly with nationalism, where the foreign orientation of Communism is a serious disadvantage.

26. At the same time continued instability in the area will favor some increase in Commu-

nist strength. The Communists may be expected to continue to seek "popular front" alliances with various nationalist or minority opposition groups. They will emphasize Communist and Soviet support of nationalist opposition to Israel and to Western "imperialism"; they will join in attacks on the corruption of the traditional ruling class; and they will exploit the grievances of minorities and the poor. Local opposition groups will probably seek and receive Communist support in efforts to oust existing regimes but, if successful, would probably attempt to disassociate themselves from the Communists. Within the period of this estimate the Communists will have some capability to incite, abet, and influence mob demonstrations and other mass pressures on weak or vacillating governments. In the longer run, the Communists may be able to gain a stronger political position by developing a substantial following in the ranks of the intelligentsia, industrial labor, and certain religious and ethnic minorities.

27. Future Communist prospects will be greatly influenced by relations between the Arab states and the West. The effectiveness of Communism's attempt to arouse hostility toward the West among non-Communist Arabs would almost certainly decline if relations between the West and the Arab states improve. Improved relations with the West would probably eliminate some of the political appeal of Communist and pro-Soviet propaganda and improve the ability and willingness of Arab governments to attempt to correct the conditions which contribute to Communism's appeal. However, the elimination of factors aiding Communism and pro-Soviet attitudes will be a slow process. Nationalist distrust of the West is sufficiently strong that any Arab cooperation with Western powers will provide some propaganda capital to the Communists and furnish the USSR with added incentives to step up its effort in the Arab world.

Relations Among the Arab States

28. The idea of Arab solidarity against the rest of the world exerts a strong appeal among Arabs. The principal expression of Arab

unity is the Arab League, a loose association of the Arab states (except the Sudan and the Arabian sheikhdoms) which functions as: (a) a meeting ground for the representatives of the Arab states; (b) a center from which to promulgate a common Arab line on matters of external policy that jointly concern the Arab governments; and (c) a secretariat for the implementation of Arab policy toward Israel, particularly the Arab boycott. Egypt has sought to maintain the character of the League as an association of sovereign states; Iraq, on the other hand, has shown interest in federation or union. Egypt has also tried to assume the position of leader, but it is unlikely that the League will become the instrument of a single state or that it will develop into a federation or superstate of any kind. As in the past, it will probably be unable to act where differences exist among its member states and will continue to function effectively only in areas of agreement — chiefly opposition to Israel. Its activities are likely, therefore, to continue to be largely negative in character.

29. The member states of the Arab League (except Libya) are also associated in the Arab Collective Security Pact which provides that an attack on the territories or troops of any of the signatories will invoke a meeting of the member states in which a decision passed by a two-thirds majority vote will be binding on all members. The Pact specifically states that any armed aggression against one signatory would be considered as directed against them all, but it does not provide for automatic mutual defense. Attempts have been made to unify defense efforts, and in September 1953 a hierarchy of committees was established.

30. However, it is unlikely that the Arab Collective Security Pact will lead to effective joint military organization or to joint war or defense planning. The original motivation for the Pact was political rather than military. The objective of its founders was to convince the Arab public that the Arab governments were taking action to counter the Arab defeat in the Palestine War. Subsequently the Pact has been advanced by the Arabs as an alternative to the organization of regional defense

under Western sponsorship. Despite its almost complete lack of military significance, the Pact may prove to be an obstacle to the organization of regional defense under Western sponsorship. Arab leaders who are anxious to maximize Arab control over any regional defense organization will probably continue to urge that the Arab Collective Security Pact be made the basis of all future regional defense organizations.

31. In practice the Arab states have been unable to cooperate effectively on any issue, except on the boycott of Israel, because the divisive forces in the Arab world have generally proven stronger than the unifying factors. Although Arab leaders will continue to support the idea of unity in public, their actual policies toward other Arab states and outside powers will be dictated by their own differing national and dynastic interests. Thus the dynastic rivalry between Hashemite Iraq and Saudi Arabia will almost certainly continue to hinder cooperation among the Arab states. It also appears likely that Iraq and Egypt will engage in increasingly bitter rivalry for leadership of the Arab states, which will have an important bearing upon any effort to organize regional defense.³

Arab Relations with Israel

32. Hatred and fear of Israel will continue to be a fundamental force in Arab thought and conduct, and the question of relations with Israel will have high priority in Arab foreign policy. The Arab policy toward Israel is based on: (a) the argument that the Western Powers created the Jewish state and must solve the resulting problems themselves, and (b) the growing conviction that time is on the Arab side. The latter belief is strengthened by exaggerated ideas of the harm which the boycott inflicts upon Israel, and by the view that US policy is becoming pro-Arab and that US military aid to the Arab states will eventually give them military superiority over Israel and the power to achieve a settlement favorable to the Arabs.

³See NIE 30-54, "Prospects for Creation of a Middle East Defense Grouping and Probable Consequences of such a Development," 22 June 1954.

33. Arab leaders are likely to be extremely cautious about offending public feeling on the Israeli question and will probably not be willing for some time to risk negotiation and compromise on the most important issues. Arab policy toward Israel will probably continue along the lines developed in the Arab League since 1949. The Arab states will probably continue the economic and political boycott of Israel which has been and probably will continue to be the outstanding example of unified Arab policy. They will refuse to meet with Israel for the purpose of negotiating outstanding issues unless Israel meets conditions — acceptance of existing UN resolutions as a basis for negotiation — which the Arabs are reasonably sure Israel will never agree to.

34. In dealing with specific problems in Arab-Israeli relations short of a formal peace settlement some Arab leaders have recently appeared less intransigent. Examples of this have been recent Arab reception of proposals on the regional development of Jordan Valley water resources and of Tripartite recommendations for improving the border situation. The Israelis have not, however, shown a like tendency to reasonableness and compromise.

35. In line with their general policy of playing for time, as well as out of fear of Israel's military superiority, the Arab states have consistently sought to avoid border clashes with Israel which might lead to war. The Arab governments, however, and particularly Jordan, have been unable to control their borders and considerable infiltration of Israeli territory has taken place. Israel's policy has been one of "active defense," including reprisal raids into Arab territory by sizeable Israeli military forces. There is no evidence that any present Arab Government is supporting or countenancing the infiltration of Israeli territory or plans to initiate an armed attack on Israel within the foreseeable future. However, recent large Israeli raids have led the governments of bordering Arab states to deploy their military forces in such a way as to make them available for an immediate counterattack against any Israeli raid. In the prevailing state of tension, a minor border

incident could lead to extensive armed conflict.

36. In the event of extensive armed conflict between Israel and any of the Arab states, the latter would employ all diplomatic means to persuade the signers of the Tripartite Declaration (US, UK, and France) to intervene against Israel, and Jordan, if attacked, would seek to invoke its treaty of alliance with the UK. The signatories of the Arab Collective Security Pact would probably vote to take joint military action against Israel, but little substantial or effective united military action would be likely to follow. The Arab states would probably declare war on Israel, mobilize their own forces separately, and deploy them in defensive positions near the Israeli frontier. Most Arab states, with the possible exception of Jordan, would probably seek to avoid committing their troops in offensive action against Israel.

37. If extensive armed conflict took place between the Arab states and Israel during the period of this estimate, it is probable that the comparative military capabilities of the two antagonists would prove to be much the same as they were at the time of the Palestine War of 1948-1949. Since the Palestine War Israel has concentrated on improving its armed forces through reorganization, intensive training (both of regular and reserve units), and a build-up of reserve stocks of military supplies. The Arab armed forces have improved in some respects and declined in others. It is unlikely that they would be able to cooperate more effectively than they did in the Palestine War.

Arab Relations with the West

38. The Arab attitude toward the West is and will continue to be an ambivalent one. Some Arabs, many of them in high position, are appreciative of Western values and institutions and believe that the best chance for the advancement of the Arab states lies in cooperation with the Western Powers, although these men are aware of the popular suspicion of the West and hesitate to express their views publicly. Most Arabs are profoundly influenced by the anti-imperialist and neutralist

doctrines of nationalist movements and blame the Western Powers for the existence of Israel and for most of the other ills of the Arab world. They are continually drawn in the direction of a neutralist policy by the belief that the struggle between the West and the Soviet Bloc is a contest for world domination in which small nations have no part and by the parochial and exclusive character of Arab culture. Yet many Arabs who are convinced anti-Westerners are none the less anxious to obtain for their countries the advantages of cooperation with the West.

39. While current conditions and trends in the Arab world on the whole are adverse to the continuation of special military, political, and economic positions for the West, settlement of the Suez issue with the UK and prospects for US military and economic assistance may provide a new basis for Arab-Western collaboration. However, the extent of Arab collaboration with the West will be influenced by the extent to which Western policies are brought in line with the most fundamental local desires; e.g., the elimination of the British position in the Near East currently based on "unequal" treaties, further change in US treatment of the Arab-Israeli question, and, to a lesser extent, change in France's policy towards its North African possessions.

40. US prestige and influence are currently greater in the Arab world than those of any other great power, despite the stigma of the US relationship with Israel and the two "imperialist" powers, the UK and France. The potential availability of US economic and military aid, and the reputation of US technical, industrial, and military competence provide strong bases for the preferred position of the US in the area. However, US relations with the Arab states will be determined primarily by political factors. An important consideration will be the degree to which the US supports individual Arab states against their rivals or aids such rivals.

41. Arab attitudes toward the European nations are strongly influenced by the past and present activities of those nations in the Arab area. The UK retains military facilities, commercial enterprises, and financial investments,

and exerts important influence in Iraq, Jordan, and the Arabian principalities. However, Arab resentment of British "imperialism" and the reduction in the British world power position have greatly reduced the effectiveness of British influence in the Arab states. Completion of the Anglo-Egyptian agreement on the Suez Canal Base and the revision of the Anglo-Iraqi Treaty, perhaps along similar lines, will lessen Arab hostility but will not restore the UK's former prestige. France's influence in the area is negligible, even in Syria and Lebanon, and its North African policies contribute to anti-Western sentiment. On the other hand, West Germany's position in the area is improving rapidly. Arabs generally admire German industrial and commercial skill and are not apprehensive of German political designs.

42. Western oil companies operating in Arab states will almost certainly be subjected to growing pressure to enlarge the Arab share of profits. Reactivation of the Iranian oil industry will cause concern in the Arab states lest it lead to reduced production in Arab oil fields. The Saudi Government will probably lead the way in demands for revisions, including a modification of the profit sharing agreement, and it is likely to use threats of nationalization as a means of obtaining its ends. Iraq and Kuwait are unlikely to attempt to change drastically the present agreements within the near future, but any modification of the agreement with Saudi Arabia will almost certainly have to be matched by the oil companies operating in the other Arab states.

Relations with Asian and African States

43. Arabs feel an affinity for the peoples of Asia and Africa and many believe that the Arab states should seek to cooperate with Asian and African states in the UN and in other fields of international politics. While many Arabs respect Pakistan because it is a Moslem state and because of the evidences of vigor and strength it has shown since it became independent, there has been little direct contact between Pakistanis and Arabs and many of their problems and interests differ. Pakistan's adherence to a defense agree-

ment with Turkey favored by the West has, however, made the whole idea of a regional defense organization slightly more palatable for most Arabs.

44. Most Arabs feel a grudging respect for Turkey but few like the Turks or look to Turkey for leadership. Many distrust Turkey because of its former domination of the area, its recognition of and trade relations with Israel, its secular institutions, and its close relations with the West. Turkey's strength and prosperity are, however, a potent lesson to the Arabs on the advantages of cooperation with the West.

45. India's Prime Minister Nehru is respected in the Arab states, where his neutralist, Asia-for-Asians doctrines have a strong appeal. Nehru will continue to have some influence among the Arabs, but Arab interests and policies are likely to remain provincial in character and to be influenced only peripherally by India.

46. The Arab states will almost certainly increase their efforts to help nationalist causes in North Africa, especially through continuing efforts to obtain favorable UN action on the Tunisian and Moroccan cases. The small resources of the Arab states will limit their capabilities for material assistance, but they will probably help North African nationalist exiles, provide increasing financial aid, and assist in smuggling arms.

Relations with the Soviet Bloc

47. No official Soviet relations are maintained with Jordan, the Sudan, or the Arabian Peninsula. Soviet diplomatic missions are maintained in the remaining Arab states, and Cairo is the principal Arab center of Soviet Bloc representation. Egypt is the only Arab state which has sought closer economic relations with the Soviet Bloc, and it has done so as a result of the decline of the Western market for Egyptian cotton and as part of a general drive to lessen economic dependence on the UK. Most Arab governments are probably not anxious to engage in closer relations with the Bloc, though they might do so on occasion if they believed they could thereby bring pres-

sure upon the Western Powers. The two recent Russian vetoes in the UN Security Council of resolutions favored by Israel and opposed by the Arabs impressed many Arabs as evidence of Soviet opposition to imperialism and friendship for peoples who had suffered from it. The Arab response has also been favorable to recent Soviet efforts to improve relations on the diplomatic level, as well as to Soviet talk of increased trade between the Bloc and the Arab states. Trade between the Soviet Bloc and the Arab states has not, however, been significant in the past, except for exchange of Bloc wheat for Egyptian cotton. The Arab states would probably be receptive to Soviet Bloc trade proposals. It is unlikely, however, that any of the Arab states would welcome a Soviet program for aid and development, and the Arab states would probably discourage any closer relations with the Soviet Bloc than they deemed necessary to put pressure on the West.

II. PROBABLE DEVELOPMENTS IN EGYPT

48. *Internal affairs.* The members of the Revolutionary Command Council (RCC) have acquired political experience rapidly during their two years in power. As political novices, however, they have had to resort frequently to extemporization and have made frequent tactical shifts. They have relied upon authoritarian methods and have resisted a return to parliamentary government largely because the principal opposition groups—the old-line nationalist Wafd Party and the Islamic traditionalist Moslem Brethren—have better organized popular followings. The RCC has not had notable success in developing its political party (the Liberation Organization) into a strong organ of popular support. In recent months the RCC has made a serious effort to build up support for its policies among urban laborers and the peasantry, but at best it will be some time before it can rely upon its supporters to defeat the opposition at the polls.

49. The RCC's short-term prospects of maintaining itself in power are favorable because of: (a) its control of the armed forces, the police, and all media of communication; (b)

the credit it gained by the recent agreement with the UK on the evacuation of the Suez Base — the long-time goal of Egyptian nationalism; and (c) popular hope that the RCC's reform program will ameliorate the poverty and end the corruption and ineffectiveness associated with the former monarchy. However, the RCC faces serious political and economic problems upon the solution of which will depend its longer term tenure of power and the continuation of a relatively stable situation in Egypt.

50. Egypt's fundamental economic problem — the inadequacy of the country's resources to the demands of its large and rapidly growing population — will become an increasing burden. The RCC is placing great emphasis upon a program of land reform and has made partial plans for and some start on economic development programs which include a high dam above Aswan, land reclamation on the Delta fringes, and industrialization. While these measures may eventually result in an increase in Egypt's gross national product, they are inadequate to make possible a rising standard of living, and will probably not prevent a declining one in the period through 1956.

51. The Wafd Party and the Moslem Brethren will remain capable of causing serious trouble for the regime, and any such efforts would probably be aided by the Socialist and Communist groups, as in February-March 1954 when opposition groups united behind President Nagib. If the RCC cooperates with the Western Powers for regional defense and other common purposes and accepts aid from the US, the Wafd will be able to arouse opposition among the extreme nationalists who are opposed to any kind of collaboration with the West. The RCC's secular policies and its refusal to accept the guidance of the Moslem Brethren will keep the Islamic traditionalists in the opposition camp. All opposition groups will agitate for popular elections and will gain support from elements, such as professional groups and students, which want a return to parliamentary government. Any regime which replaced the RCC would probably be a coalition, including military elements, and

would reflect the outlook and experience of the growing middle group in Egyptian urban society.

52. *External affairs.* Egypt will endeavor to maintain its position of leadership among the Arab states and will seek to extend its influence to the south and west on the African continent. Egypt has less direct interest in the Arab-Israeli problem than have some other Arab states, and is likely to become more amenable to the regularization of relations with Israel if and as a final agreement on the British evacuation of the Suez Base is implemented, and US aid becomes a reality. It will probably not assume leadership in urging further intransigence, and in the case of Jordan Valley development will probably urge the Arab states directly involved to adopt a policy of "realistic" bargaining. Nevertheless, Egypt is likely to continue to resist any formal peace settlement with Israel, if only to avoid alienating the other Arab states.

53. The July 1954 Anglo-Egyptian agreement in principle on the Suez Canal Base, will, if formalized and implemented, associate Egypt with Western defense plans for the area and may result in cooperation with the Western Powers for regional defense and other purposes. The extent of Egyptian cooperation will depend largely upon the smoothness with which the Suez settlement is implemented and upon the nature and extent of US and other Western military and economic assistance to Egypt. The period of this estimate will be a difficult and delicate one in Egyptian relations with the West. Egypt will not only seek advantageous terms for itself in such matters as foreign aid, but will also attempt to influence Western arrangements with other states of the area in such a manner as to preserve or promote Egyptian leadership of the Arab states and secure Arab military superiority over Israel. For example, Egypt will probably seek to make the Arab Collective Security Pact the basis for the organization of regional defense.

54. The RCC will probably continue to believe that Egypt's advantage lies in cooperation with the Western Powers. This belief is based

more upon a calculation of the comparative advantages likely to be attained than upon ideological preference for the West or acceptance of the need for defense against the Soviet Bloc. Egypt will seek to increase its trade with the Soviet Bloc, particularly to increase exports of cotton, but Egyptian relations with the Bloc will be fundamentally cautious. More extensive relations with the Bloc, even if mainly in the commercial sphere would seem certain to raise the morale of the few thousand Egyptian Communists and Communist sympathizers and provide opportunities for Soviet espionage.

III. PROBABLE DEVELOPMENTS IN THE SUDAN

55. Sudanese stability faces severe tests during the remainder of the 1953-1956 period of transition from Anglo-Egyptian condominium to self-government and to self-determination of the Sudan's future status. Considerable progress has been made to date: (a) in effecting the transfer of executive power from the Governor-General to the Sudanese cabinet and parliament, elected in late 1953, and (b) in replacing British administrative personnel with Sudanese. The process can probably be completed without a constitutional breakdown, although frictions will probably develop and serious crises are possible.

56. Among the sources of tension is the conflict between the opposition Umma Party, political expression of the Ansar sect of Islam, which favors Sudanese independence with some UK ties, and the incumbent National Unionist Party, supported by the Khatmiyah (orthodox) Moslems, which inclines toward closer relations with Egypt. The struggle between these two groups, involving both political and religious rivalry, has led to violence before and, especially as the restraining influence of the British is withdrawn, could result in serious instability or even civil war.

57. Another source of tension is the deep cultural, ethnic, and religious cleavage between the Moslem, Arabized North, and the pagan, Negroid South. The backward South fears Northern domination as it loses the protection heretofore given it by the British administrators.

58. The clash between Egyptian and UK ambitions for influence in the Sudan may also create serious problems. The UK would like to have the Sudan opt for independence and conclude defense and commercial agreements with the UK. The UK is prepared to continue its orderly withdrawal, although it will seek to maintain existing commercial and cultural ties. It may also attempt to counter Egyptian influence by encouraging those Sudanese elements which oppose Egyptian dominance. Egypt would prefer complete integration of the Sudan with Egypt, but such a relationship is opposed by practically all Sudanese elements and would arouse the violent hostility of many. Although the likelihood of serious UK-Egyptian conflict over the Sudan will decrease as the UK continues to relinquish control, both nations' hopes for special position in the Sudan may embroil them, and their respective Sudanese proteges, in contests over the Sudan's future status and orientation.

59. We believe that the Sudan is likely to choose independence, although commercial, cultural, and military relations with Egypt are likely to become increasingly close, and the Sudan will probably tend to follow Egypt's lead in intraregional and foreign relations. The present Sudanese Government would probably wish to maintain friendly relations with the UK but refuse a formal treaty designed to maintain the UK's special position.

IV. PROBABLE DEVELOPMENTS IN IRAQ

60. *Internal affairs.* Iraq's traditional ruling oligarchy, composed primarily of tribal leaders, landlords, wealthy businessmen, and professional politicians, will probably remain in power at least during the next two or three years. Prospects for evolution toward a more progressive government in Iraq were improved by the Throne's support between September 1953 and April 1954 of a relatively progressive and reform-minded government under the leadership of Dr. Fadhil Jamali, but Jamali's government fell for want of organized political support, and the Old Guard appears to be back in control. The conservative policies of Nuri Said and his colleagues in the ruling

oligarchy will probably intensify the opposition of moderate reform-minded elements and may increase the likelihood of mass demonstrations and other pressure tactics by extremists of the right and left.

61. However, no opposition party or combination has yet shown sufficient strength to threaten Nuri Said's personal following in Parliament. The National Front, which combined the forces of the extreme nationalist Istiqlal and the Communist-infiltrated 'National Democrats for the June 1954 elections, appears to be in process of dissolution. Should the aging Nuri Said be removed from the scene, the effectiveness of the old ruling group would greatly decline.

62. Iraq's economic prospects are the brightest of any Arab state because of its large oil reserves and extensive tracts of unused but potentially arable land. Seventy percent of Iraq's oil revenues, expected to average about \$112,000,000 yearly over the next five years, are earmarked for the Iraq Development Board. Despite manifold political pressures, the Board appears to be moving ahead with a reasonable and far-sighted program. Over the long run, this program is capable of significantly improving economic conditions and thereby lessening some popular grievances. In the short term, however, the fact that most of the big development projects cannot produce rapid and easily perceived results will limit the program's effectiveness as a stabilizing factor.

63. *External affairs.* Iraq's policies toward other Arab states will continue to be influenced by the conflict between: (a) its ambitions to achieve Arab leadership against the opposition of Egypt (and Saudi Arabia), while strengthening itself militarily by ties with the West, and (b) its desire for continued Arab solidarity on the issues of Israel, imperialism, and colonialism in North Africa. Iraq will support publicly the Arab League and Arab Collective Security Pact, vigorously oppose settlement with Israel, and perhaps lead in Arab-Asian efforts to bring the French-North African problem before the UN. Iraqi leaders will probably continue to foster the idea of Arab union or federation, which often leads

to tampering with the internal politics of Syria and Jordan.

64. Iraq will be less influenced by the concepts of neutralism than any other Arab government. Iraqi leaders are aware of the Soviet threat and favor joining some sort of regional defense association which the US would support. However, they will approach this move slowly and cautiously from fear of the popular reaction at home and opposition from the other Arab states. This attitude is evident in Prime Minister Nuri Said's latest proposal for broadening the Arab Collective Security Pact to include non-Arab countries. Iraqis believe that the US shows undue favoritism toward Israel, but look increasingly to the US for support. The present ruling group, however, takes a realistic view of the need for some UK support, and will almost certainly seek a modification and extension of the Anglo-Iraqi treaty of alliance (due to expire on 3 October 1957). If the attempted extension is to have any chance of success, however, it will have to go at least as far as the Suez agreement in meeting the aspirations of the Iraqi nationalists.

V. PROBABLE DEVELOPMENTS IN SYRIA

65. *Internal affairs.* We believe that Syria will continue to be politically unstable. Although the overthrow of Shishakli in February 1954 led to reinstitution of civilian government after four years of military control of Syrian affairs, conflict between the civilian authorities and the army is a constant danger.

66. The continuation of moderate civilian regimes will depend in large part on the ability of the two major conservative parties, the Populists and the Nationalists, to maintain a working alliance. Conservative prospects are weakened by the lack of a strong leader acceptable to all conservatives, the resulting struggles for power among lesser figures, and the long-standing cleavage between the interests of Northern Syria, especially Aleppo (stronghold of the Populists), and those of Damascus (center of Nationalist strength).

67. The Syrian Army, which played a decisive role in politics from 1949 to 1954, remains a

serious potential threat to the civilian regime. The probable role of the Army is difficult to estimate, since no single leader now appears dominant and the Army itself is divided into factions somewhat parallel to civilian political divisions. However, an army coup is possible, particularly if decisive civilian leadership fails to develop. In addition, the Army's power gives it a tacit veto in major political decisions. For example, an effort to form a Syrian-Iraqi union, which many Populists favor, would probably result in firm counter-measures or possibly another coup by the Army.

68. Conservative disunity has enhanced the appeal and bargaining position of extremist elements drawing support from the discontented, politically conscious urban middle group. The most significant of these is the left-wing, strongly anti-Western Arab Socialist-Resurrectionist Party of Akram Hawrani, which advocates social and political revolution. Hawrani, who accepted the support of Syrian Communists, also enjoys the support of a number of influential army officers and has the sympathy of at least a few leading members of the volatile Druze community in southern Syria. With this support, Hawrani has a fairly good chance of increasing his power and influence in a government of divided conservatives. He would, however, have to have Army support to seize control of the government.

69. Syria's living standards are low, but there are no immediately critical economic problems, and it has an economic resource in undeveloped and unused land.

70. *External affairs.* Syria is a prize in contests between other Arab states to expand their influence, rather than itself a major force in Arab affairs. Syrian policies and stability have been generally affected by: (a) the internal conflict between Syrian nationalism and Arab unity, and (b) the overt and covert attempts of Iraq and Saudi Arabia to win Syria to their respective sides. During the period of this estimate Syria will probably waver between the Iraqi and Saudi-Egyptian camps. Although Syria would almost certainly join the other Arab states against Israel

if war broke out, it fears Israeli military superiority and is not likely to initiate hostilities. However, if confronted with unilateral Israeli resumption of the Jordan River diversion project in the demilitarized zone at Banat Yaacov, Syria would almost certainly feel compelled to take strong measures short of war to protect its water interests, and might be driven to desperate steps which could easily bring on hostilities.

71. Syria's policy toward the US and UK, including its attitude toward cooperation in a regional defense arrangement, is likely to be determined by what Iraq and Egypt do in this respect. While many of the old-line Syrian leaders privately favor cooperation with the West, their present weakness in the face of nationalist pressures and Arab League policy will probably continue to prevent the government from making pro-Western moves unless and until the stronger governments of Iraq and Egypt take the lead. French influence in Syria is now limited to the cultural field and will have little effect in determining Syria's relations with the West.

72. Syria has recently been more responsive to Soviet diplomatic and commercial moves. The Soviet Union has expanded its diplomatic and propaganda activities in Syria and Soviet Bloc countries have stepped up commercial efforts, particularly since the present regime came to power. The conservative leadership is likely to continue to maintain the present superficially cordial relations with the Bloc, partly for reasons of trade and partly to improve Syria's bargaining position with the West. However, the conservatives' basic fear of Communism and of the USSR would almost certainly limit relations with the Bloc. Seizure of power by some combination of extremists might make Syria more receptive to Soviet influence, and would probably increase neutralist tendencies. However, the Army, without whose support such a regime could probably not last, would be likely to oppose any strongly pro-Soviet policies.

VI. PROBABLE DEVELOPMENTS IN LEBANON

73. Relative political stability is maintained by means of a delicate balance of power be-

tween Moslem and Christian religious groups. The Lebanese will probably continue to accept the present *modus vivendi* for the next few years. The rigidity of the system, however, and the fact that the Moslem population is increasing faster than the Christian will eventually endanger political stability. In common with other Arab states, Lebanon faces the problems resulting from a decaying traditional structure in conflict with the rising political consciousness and power of restless urban elements. The latter are now politically fragmented, but their resentment of the old-line leadership, whose monopoly of wealth and power has seriously impeded social and economic progress, has contributed to extremism of the right and left.

74. Lebanon's strong desire to be accepted as part of the Arab world, its military weakness, and dependence on regional trade will continue to influence its policy in favor of close relations with the other Arab states and at least a superficial adherence to Arab League solidarity. Lebanon is anxious to avoid involvement in inter-Arab disputes, such as the Hashemite-Saudi struggle, in order to keep friendly relations with all. The Lebanese are more tempted than other Arabs by the commercial possibilities of an Arab-Israeli settlement, but they will continue to follow the general Arab line in this respect.

75. Lebanon's large Christian population, and its cultural and commercial ties with the West also make it the most strongly pro-Western of the Arab states, and it feels the need for Western support to protect its peculiar position. Consequently, while its outlook will continue to be somewhat ambivalent, its present leaders would probably welcome a general development of closer Arab-Western relations and would be glad of the opportunity to follow the lead of Iraq or Egypt in securing US military and economic aid.

VII. PROBABLE DEVELOPMENTS IN SAUDI ARABIA

76. Saudi Arabian stability depends upon the maintenance of the personal authority of King Saud, who lacks the prestige, skill, and strength of character of his father, whom he

succeeded in 1953. King Saud is maintaining most of his father's domestic policies. In the short run, at least, Saud can probably retain the support of the numerous royal princes, the chief officials, and the tribal leaders if he is able to continue the costly subsidies on which their loyalty depends. However, his administration is weakened by inefficiency and corruption, an extreme dependence on oil royalties for its revenue, and failure to recognize growing resentment of the profligacy of the royal family and government officials.

77. Saudi Arabia exerts a peculiar influence in the Arab world because it possesses the most important Moslem holy places, because it is the last stronghold of certain aspects of traditional Arab culture, and because the King has personal control of substantial revenues with which he subsidizes elements in other Arab states on behalf of Saudi interests. King Saud is ambitious to play a leading role in Arab affairs and has been actively attempting to forestall Iraqi expansion and the increase of Iraqi prestige. He has sought to maintain Arab intransigence on the question of Israel, and prevent Arab states from becoming too closely associated with the Western Powers. He will probably try to obstruct moves to regularize the relations of Arab states with Israel. However, King Saud probably overestimates his influence among the Arab states, and he will probably not be able to persuade any other Arab state to make a move which it does not independently consider advantageous.

78. Partly influenced by his anti-Western advisers, Saud has been generally less friendly toward the West and particularly toward the US than was his father. Saudi relations with the US deteriorated seriously in the past year, as evidenced by Saudi rejection of a standard MDAP agreement with the US and termination of US technical assistance to the kingdom. Saudi relations with ARAMCO also deteriorated as a result of the government's demands for increased oil revenues and services from the company, and its conclusion of an oil tanker arrangement with the Argentine-Greek shipowner, A. S. Onassis, which violates the terms of the ARAMCO concession.

79. There are current indications that Saudi Arabian relations with the West are undergoing a change for the better. However, if the general deterioration of relations which took place during the past year should continue, the US Government might have difficulties when the Dhahran airbase agreement comes up for renewal in 1956 and ARAMCO might find it difficult to maintain satisfactory relations with the Saudi Government. The Saudis might consider nationalizing their oil industry, but extreme dependence on large and uninterrupted oil revenues would probably make them hesitate to nationalize, even if their relations with ARAMCO do not improve.

80. The strike of October 1953 gave evidence of a considerable increase in group-consciousness among the employees of ARAMCO and the USAF Dhahran airbase in Eastern Saudi Arabia, where tribal values are being more quickly destroyed than in other parts of the country. Another strike, perhaps accompanied by violence, is a strong possibility. The Saudi Government has established a labor committee in Dhahran and may be preparing a revised labor law for the kingdom. However, these new arrangements probably would not stand up under the strain of serious labor trouble.

81. Saudi relations with the UK may improve somewhat as a result of the recent agreement on a solution for the Buraimi boundary dispute. In addition, an influential element in the Saudi Government hopes to introduce British oil interests into the kingdom as a lever against ARAMCO.

VIII. PROBABLE DEVELOPMENTS IN JORDAN

82. Jordan's political atmosphere will be dominated by tension between political leaders of the relatively well-educated and half-Westernized former Arab Palestinians and the old-line leaders of Transjordan. The Palestine Arabs will probably continue to increase their power within the government. They will attempt to orient the government toward extreme Arab nationalism and away from UK influence.

83. However, British influence will probably remain strong in Jordan because of UK subsidies to the impoverished kingdom. The Anglo-Jordanian Alliance (a twenty-year mutual assistance pact signed in March 1948) is likely to remain in effect as the cornerstone of Jordan's external relations. Jordan will continue to lack confidence in Great Power guarantees or the UN machinery as effective barriers against Israeli attack. Anti-British feeling is growing, as is the tendency of Jordanian government leaders to act more independently, but neither government nor opposition leaders have found any practical substitute for the UK subsidy which in 1953 constituted 54 percent of the country's total revenues. The whole relationship, however, would probably be wiped out should Israel attack in force and the UK fail to respond to a Jordanian appeal under the treaty, or if the Arab Legion were restrained by its British officers from contesting a major Israeli incursion with sufficient vigor.

84. Almost half of the nearly one million Arab refugees from the former territory of Palestine which is now in Israel live in Jordan. Unlike the smaller refugee groups in other Arab states, who lack influence in the host countries, the refugees in Jordan constitute a source of serious political and social unrest. They will continue to constitute a major political problem and an economic factor in Jordan.

85. Jordan will continue to need and desire US economic and technical aid. However, the Jordanians, especially the former Palestinians, deeply resent past US support of Israel and continue to believe that a truly impartial US policy is impossible because of US internal political pressures. US efforts to maintain peace in the area and to strengthen the Arab states may eventually lessen this resentment but, for the present, Jordanians suspect US motives and feel that an attitude which approves the *status quo*—less favorable than the UN partition plan of 1947—is actually favoritism toward Israel.

86. A number of regional rivalries, often discussed but of indeterminate strength, center around Jordan. Saudi Arabia, Egypt, and

Israel — each for its own reasons — are determined to prevent amalgamation of Jordan with Iraq, and the ex-mufti of Jerusalem is intriguing to keep Jordan isolated in line with his personal ambition to establish a separate state in Arab Palestine. The Palace and the British maneuver to keep the *status quo*. Within Jordan itself the Palestinians are more receptive than are the Transjordanians to talk of amalgamation with a neighboring state.

IX. PROBABLE DEVELOPMENTS IN YEMEN AND ARABIAN PENINSULA PRINCIPALITIES

87. Yemen seems likely to remain the most isolated and the least influential of the independent Arab states. The Imam Ahmad will probably be able to control such opposition as the "Free Yemen" movement, but assassination is always a possibility. There will probably continue to be friction with the UK, stemming mainly from border disputes with Aden.

88. *Kuwait*. While Britain's legal position in Kuwait is unlikely to change, British prerogatives have not been firmly exercised in recent years and the trend seems likely to continue. The outlook is not favorable for the development of a capable and responsible Kuwaiti ruling group able to fill any vacuum left by contraction of the British position. There are a few manifestations of nationalism, mainly

insistence that Kuwaitis should have a bigger share in the control and benefits of business in Kuwait. The scale of Kuwait royalties in relation to population is many times that of neighboring oil-producing countries and will continue to play an increasingly important role in the economy of the country. Such revenues provide the present weak but benevolent and pro-British ruler with a unique opportunity to mitigate the effects of many of the social and economic problems contributing to political instability. However, Kuwait cannot in the long run escape the upsetting effects of radical economic and social changes on a conservative Arab society, and Communist propaganda is already increasing in Kuwait in an attempt to exploit the situation against the West.

89. *Other British-controlled Arabian areas*. The UK position will continue to be the key to short-run stability in the principalities of the Arabian Peninsula. The British will continue attempts to strengthen their position, particularly in the Aden Protectorate and the Trucial Sheikdoms. With British backing, the ruling families of the principalities will probably be able to maintain themselves in power. The UK will also probably continue to defend vigorously the interests of its client-rulers against Saudi Arabia and Yemen. The construction and operation of the new refinery in Aden will assist the local economy, and in some principalities economic benefits may also result from continued oil explorations.

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APPENDIX I

COUNTRY	Egypt	Iraq
Area	388,000 sq. m.	168,000 sq. m.
Population	21,941,000 (1953)	5,100,000 (1953)
Annual Population Growth	2.5 percent	2.1 percent
Agric. Land Per Capita *	0.3 acres	2.6 acres
Main Crops	cotton, wheat, corn, rice, millet, clover	wheat, barley, rice, cotton, dates, tobacco,
Main Industries	cotton processing, textiles, veg. oils, cigarettes, food processing	food processing, cotton ginning, petroleum,
Main Exports	cotton; \$134 million; 86 percent of total (1953)	petroleum products; \$353 million; 86 percent of total exports (1953)
Per Capita GNP	\$114 (1952)	\$110 (1952)
Literacy Rate	18 percent	15 percent or less
Railroads	5,236 miles	1,200 miles
Roads	7,167 miles	surfaced, 1,373 miles
Signif. Basic Resources	No signif. developed resources. Small quantities petroleum, phosphate rock, manganese and other minerals produced.	About 10 percent world crude oil reserves (1953-4 percent world production). Small scale production salt, cement, sulphur, bitumen, gypsum, sandstone, and marble.

* Currently usable agricultural land.

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COUNTRY (continued)	Jordan	Lebanon
Area	37,000 sq. m.	4,000 sq. m.
Population	1,330,000 (1952) Includes 450,000 Palestine refugees	1,346,000 (1953)
Annual Population Growth	2.5 percent (UNRWA est. 1954)	2.4 percent
Agric. Land Per Capita *	1.5 acres (excluding refugees)	0.4 acres
Main Crops	wheat, barley, maize, millet, tobacco, olives, grape, other fruits, vegetables	wheat, barley, olives, tobacco, fruits, and vegetables
Main Industries	small industries processing agricultural products, cement	cement, textiles, and other consumer goods, oil refining
Main Exports	limited quantities of agricultural products, phosphate rock	citrus fruit, apples, onions
Per Capita GNP	\$100 (1952)	\$285 (1952)
Literacy Rate	15-30 percent	50-60 percent
Railroads	326 miles	363 miles
Roads	all-weather roads, 550; other, 1,650 miles	surfaced, 1,812 miles; other, 412 miles
Signif. Basic Resources	Some minerals — phosphates, iron ore, man- ganese, and gypsum — these far from markets and isolated by lack of transportation. Dead Sea source potash and chromium.	Deposits low quality lignite. Evidence iron ore deposits. Major natural resource; Litani River, which can be developed for water and power.

* Currently usable agricultural land.

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COUNTRY (continued)	Saudi Arabia	Sudan
Area	927,000 sq. mi.	987,500 sq. m.
Population	3,500,000 (1953 est.)	8,972,000 (1952)
Annual Population Growth	2.3 percent
Agric. Land Per Capita *	Agric. land less than 5 percent area
Main Crops	dates	cotton, sesame, peanuts, gums, tobacco
Main Industries	petroleum production and refining	cotton processing, food processing
Main Exports	total exports 1953 \$326 million, almost entirely petroleum products	cotton, cottonseed, gum arabic, peanuts
Per Capita GNP	\$68 (1952)
Literacy Rate	3-5 percent
Railroads	350 miles	2,001 miles—1948
Roads	passable roads connect the larger towns
Signif. Basic Resources	12 percent world reserves crude oil, (1952--7 percent world production). Gold mined in small quantity; iron ore deposits reported.	copper, gold, salt, and other as yet untapped mineral resources

* Currently usable agricultural land.

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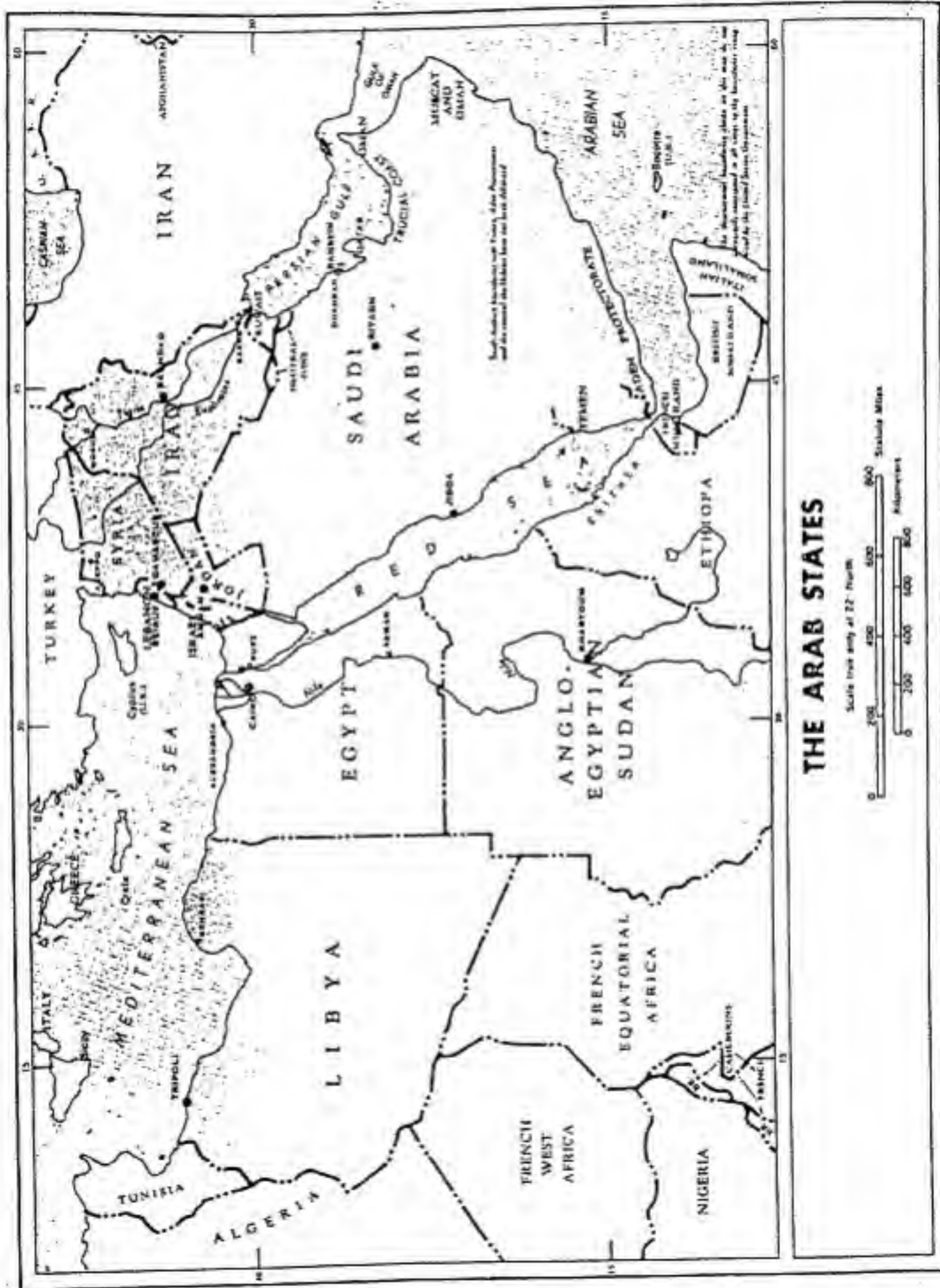
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COUNTRY (continued)	Syria	Yemen
Area	70,000 sq. m.	75,000 sq. m. (est.)
Population	3,835,000 (1953)	3,500,000 (est. 1953)
Annual Population Growth	2.4 percent	
Agric. Land Per Capita *	2.4 acres	160 percent pop. engaged in agric.) Shortage cultivable land.
Main Crops	wheat, barley, grapes, cotton, olives, tobacco	coffee, grain
Main Industries	consumer goods: cotton yarn, textiles, glassware, cigarettes, wine, alcohol, flour, soap	none
Main Exports	raw cotton, wool, grains	coffee
Per Capita ONP	\$110 (1952)	
Literacy Rate	20-25 percent	
Railroads	870 miles	none
Roads	hard surfaced, 2,212 miles; earth or gravel, 3,648 miles	very few
Signif. Basic Resources	No developed mineral resources. Indications of phosphates, lead, copper, antimony, nickel, and chrome.	possibility of oil

* Currently usable agricultural land.

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NATIONAL INTELLIGENCE ESTIMATE

CONDITIONS AND TRENDS IN THE MIDDLE EAST AFFECTING US SECURITY



NIE-73

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CONDITIONS AND TRENDS IN THE MIDDLE EAST¹ AFFECTING US SECURITY

THE PROBLEM

To identify the major forces and trends in the area, to assess their origin, relative strength, and probable development, and to estimate their effect on the Western and Soviet positions in the area, in the absence of general war.

CONCLUSIONS

1. In addition to its objective of contributing to stability in the Middle East, the West has a specific and basic concern with the extensive oil resources and strategic location of the area. Denial of these assets to the West would constitute a serious setback to it in the struggle with the Soviet Bloc, even if the area did not come directly under Communist control.
2. Patterns of authority are being undermined by rising discontent among nearly all social groups. This discontent is finding expression in growing demands for elimination of foreign influence and for internal social, economic, and political reforms.
3. Attainment of stability is obstructed by the ineffectiveness of Middle Eastern governmental and political institutions, by inadequate development of economic resources, by Arab-Israeli hostility, and by inter-Arab rivalries.
4. The USSR will continue to encourage disorder and anti-Westernism and to exploit the substantial opportunities for creating friction among states of the area, between them and the West, and among the Western Powers. Soviet rulers may estimate that the area can be effectively denied to the West without being brought under direct Communist control and without forcing the USSR prematurely to accept full responsibility for supporting Communist regimes in the area.
5. Local Communist parties, except possibly in Iran, are not likely to develop the strength to seize and maintain control of Middle Eastern governments during the next few years. However, Communist influence will probably grow, the principal danger being that without formally assuming control Communists will exercise an increasing influence on non-Communist governments.

¹ This estimate deals with Iran, Iraq, Syria, Lebanon, Jordan, Saudi Arabia, Yemen, Egypt, and the principalities of the Arabian peninsula. Conditions in Turkey and Israel, and their relations with the West and the Soviet Bloc, differ in so many respects from those in the rest of the Middle East that they will be treated only insofar as they affect developments in the rest of the area.

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6. However, except for Iran, Middle Eastern states do not feel immediately threatened by the USSR and they fear that acceptance of Western support would lead to Western domination. In particular, the acceptance of US influence is seriously hampered by the Arab conviction that the US is responsible for maintaining the state of Israel, and by US association with the former colonial powers — the UK and France.

7. Although we do not believe that a breakdown of authority is imminent, except possibly in Iran, the over-all situa-

tion with respect to stability is deteriorating.

8. In the foregoing circumstances, governments will probably rely increasingly on their armed forces to retain power. Although such authoritarian regimes offer hope of arresting the drift toward disorder, they will be beset by many internal problems. They will also have to find a solution to the problem of establishing relations with the Western Powers which will be acceptable to nationalist aspirations at home, but which will permit them to obtain Western military and economic aid and advice.

DISCUSSION

Introduction

9. In addition to its objective of contributing to stability in the Middle East, the West has a specific and basic concern with the extensive oil resources and strategic location of the area. Denial of these assets to the West would constitute a serious setback to it in the struggle with the Soviet Bloc, even if the area did not come directly under Communist control.

10. The Middle Eastern states do not have the strength to stand alone in the modern world or the capacity to cope with their own internal problems. In past years, the presence of British and French power in the area contributed to stability, even though it also provided a focal point for nationalist opposition. Ineffective governments and inadequately developed resources still make outside support essential to Middle Eastern stability. Yet these states, jealous of their independence, fear that acceptance of Western support would lead to Western domination. The question, therefore, is whether a new relationship can be established between the Middle Eastern states and the West which will on the one hand mollify Middle East suspicions of the West, and on the other

permit such Western advice and support as will enable Middle Eastern states to maintain internal conditions generally favorable to themselves as well as to Western interests.

Basic Forces

11. Patterns of authority are being undermined throughout the Middle East by rising discontent among nearly all social groups. The traditional ruling classes — landlords, tribal leaders, and wealthy merchants — while struggling to maintain their privileged positions, have shown little ability or disposition to solve growing social and economic problems. There has been a rapid growth of educated and semi-educated elements in the cities — students, government workers, professional classes, junior army officers, small businessmen — whose aspirations for improved economic and social status are frustrated. These elements are being aroused by agitators offering varied and often conflicting programs — religious fundamentalists preaching a return to true Islamic practice; secular reformers advocating such programs as land reform, the elimination of corruption, and the extension of democratic government; proponents of authoritarian rule along fascist lines; and finally, the Communists. Urban

Industrial workers are not yet numerous or well-organized, and the large peasant class is in general still politically passive. Both groups, however, are becoming more responsive to political agitation.

12. Each country is at a different stage of social change and political development. In Saudi Arabia and Yemen, where no political parties exist, the tribal monarchies are in firm control. In Jordan, political activity outside the court and tribal leadership is just beginning to take form, and is being fomented by educated elements from West Jordan. The old guard is still in control in Iraq, but the advocates of change are growing in strength. Although secular reformers are in control in Egypt and Syria, attainment of social and political stability is by no means assured. In Iran, the National Front's insistence upon pursuing an anti-British policy, regardless of the effect on the nation's economy, may lead to further political and economic disintegration from which only the Communists could profit.

13. Throughout the area, many proponents of change have a similar negative and emotional attitude. There is a general disposition to eliminate the powers that be, with little regard or thought for what comes after. The two basic forces that motivate the proponents of change are:

a. A desire to eliminate foreign influence. The Middle Eastern governments and people are basically suspicious of Western motives and tend to become increasingly nationalist and neutralist.

b. A growing demand for internal social, economic, and political reforms. Few of these reforms, however, have been cast as positive programs.

Obstacles to Stability

14. Attainment of stability is being blocked by a number of problems not capable of easy or quick solution. They include ineffectiveness of the instruments of government, serious economic problems, and rivalries among the states of the area.

15. Existing political institutions and governmental machinery are inadequate in the present situation. Many legal and political forms have been copied from the West, but have not been adapted to Middle Eastern needs. In addition, there is a shortage of trained personnel, and a tradition of responsibility and integrity in government is lacking. Governments are further handicapped by the facts that the formerly dominant class is inflexible and resistant to change and that the proponents of change frequently offer programs incapable of rapid or practical implementation. Any government efforts to execute reform programs encounter strong resistance from special interests.

16. Growing pressure for economic improvement adds to the problems facing Middle Eastern governments. Except for oil, the area has few economic resources. Egypt, Jordan, and Lebanon are overpopulated in relation to arable land and known resources. Although Syria, Iraq, and Iran have much land which could be brought under cultivation, development of this potential would require many years and large-scale investments. Government efforts to develop the resources of the area are handicapped by inefficient economic procedures, untrained personnel, and resistance to new methods.

17. Israel and the related Arab refugee problem constitute a major obstacle to stability in the Middle East. Arab hostility toward the new state and fear of Israeli intentions have aggravated the difficulties of the Arab states in tackling pressing internal problems, have burdened them with high military budgets, and have prevented the development of an expanded area economy. Although Syria has broken the solid Arab front against resettlement of Arab refugees (totalling 800,000) by signing an agreement with the UN for resettlement in Syria of 80,000 refugees, final solution of this problem is a long way off. No progress has been made toward solving other Arab-Israeli difficulties. The Arab states fear an Israeli attempt to conquer additional territory under the pressure of overpopulation and lack of economic resources, particularly water. Conversely, Is-

rael fears that a growth of Arab strength will lead to a war of revenge.

18. The stability of the area is also weakened by rivalries among the Arab states. The Arab states have a common cultural and religious heritage which some religious and political leaders have hoped to make the basis for area cooperation and unity. The psychological and political significance of this common heritage has been overshadowed in the recent past by petty dynastic quarrels, narrow nationalistic politics, religious differences, and differences of economic interest. These have made disunity a characteristic of the Middle East and have interfered with efforts to solve common problems. Effective leadership for the area as a whole has not been forthcoming. Egypt, which is regarded as the state most likely to provide such leadership, dominates the Arab League, but has had little success in achieving positive united action. Attempts by Turkey, Pakistan, and others to promote unity in the area have evoked little response.

Obstacles to US Influence in the Middle East

19. US association with Israel is a continuing irritant in US-Arab relations and the major obstacle to the acceptance of US influence in the Middle East. The Arab world is united in its belief that the US is primarily responsible for the establishment of Israel, which it interprets as an act of ruthless anti-Arab imperialism. Moreover, many Arabs believe that US partiality in the Arab-Israeli dispute is further demonstrated by US failure to press more vigorously for enforcement of UN decisions on Arab refugees, on delimitation of the borders of Israel, and on the internationalization of Jerusalem. The US faces the dilemma that Israel cannot survive without foreign aid and that US aid to Israel deepens Arab resentment against the US.

20. US alliance with the UK and France, the most important former colonial powers in the area, also arouses Arab distrust. Demands in French North Africa for greater independence are strongly supported in the Middle East. Most Middle Eastern countries will al-

most certainly remain determined to weaken if not abolish British influence and special privilege. On the other hand, the UK, for reasons of prestige as well as of economic and military security, feels that it cannot afford to relinquish its still substantial military and economic positions. US efforts to bring the two parties together run the risk of (a) encouraging each side to be less inclined toward compromise in the hope of eventual US backing; and (b) evoking charges of favoritism from both sides. Finally, a too rapid abandonment of British positions would leave a military vacuum which the US would have difficulty in filling, and which would accentuate insecurity and create further opportunities for Soviet or local Communist exploitation.

21. The US is also handicapped by the fact that the Arabs do not feel immediately threatened by the Soviet Union or recognize an immediate personal stake in the East-West struggle. They are far more apprehensive of Israeli aggression, and they suspect that Western interest in the area's defense is merely a camouflage for strengthening Western influence at the expense of their independence.

Soviet Capabilities and Intentions in the Middle East

22. The USSR has so far carried on relatively small-scale overt political activity in the Middle East. Soviet rulers probably estimate that Western influence is declining, that economic and political deterioration will continue, and that the general situation will become steadily more favorable to the expansion of Communist influence. Soviet rulers may conclude that the area can be effectively denied to the West without being brought under direct Communist control and without forcing the USSR prematurely to accept full responsibility for supporting Communist regimes in the area. The USSR will continue to encourage extremism of many kinds, particularly anti-Western and nationalistic, and to utilize opportunities to embarrass the relations of the Western Powers with each other and with the states of the area. Conditions in the Middle East, particularly the

Arab-Israeli dispute, offer the USSR many opportunities for increasing these activities and for winning Arab good will.

23. Although the Moscow-directed Communist Parties are small and illegal and are not now, except in Iran, a major political factor in the Middle East, Communism contributes to and profits from unrest in the area. The Communist program holds out a ready solution attractive to dissatisfied groups, particularly the educated class. The Communists can exploit the widespread hostility against the Western Powers and the ruling classes without too openly revealing Soviet imperialist motives and goals. Communist agitation among workers and peasants is increasing, and Communist influence is likely to grow as these groups become more insistent upon improving their lot. The principal dangers posed by the Communists are: (a) that they will infiltrate government and military services to the point of seriously interfering with the exercise of authority; (b) that progress toward reform and economic improvement will be so slow that radical groups will become discouraged and turn to Communism; and (c) that non-Communist groups, particularly the nationalist and reformist elements, will become divided, Communist-infiltrated, or willing to cooperate with the Communists, to such an extent that small, disciplined Communist parties can exercise a decisive influence on governments of the area even without formally assuming control.

PROBABLE DEVELOPMENTS

Political Developments in the Arab States

24. We do not believe that a breakdown of authority in the Arab states is an immediate danger. Their security forces, if given effective leadership, are capable of maintaining internal control. None of the Communist parties is likely during the next few years to develop the strength to take over the governments by peaceful means or by force. Nevertheless, the over-all situation with respect to stability is currently deteriorating.

25. In this situation, governments will probably rely increasingly on their armed forces to retain power. Military reformist regimes are already in power in Egypt and Syria, and further regimes of this type may emerge. Although such authoritarian regimes offer hope of arresting the drift toward disorder, they will be handicapped by their lack of experience in dealing with economic and social problems; by the difficulties of implementing reforms which produce quick and tangible benefits for the people; and by opposition from vested interests, extreme nationalists, Communists, and possibly religious fundamentalists. If they are to succeed, such regimes will have to provide the people with some prospect of participation. They will also have to find a solution to the problem of establishing relations with the Western Powers which will be acceptable to nationalist aspirations at home, but which will permit them to obtain Western military and economic aid and advice.

Political Developments in Iran²

26. Iran presents a more pressing problem than that existing in the other states of the area, owing in part to the proximity of the Soviet Union and the strength of the Tudeh Party, and in part to the more immediate danger of social, political, and fiscal breakdown. The longer present trends in Iran continue unchecked, the more difficult it will become to prevent a breakdown of government authority which would open the way for at least a gradual assumption of control by Tudeh. Although such a breakdown appears unlikely during 1953, the Iranian situation contains so many elements of instability that it might occur at any time. The loss of Iran to Communism would be a blow to US and Western prestige and would increase the vulnerability of the remainder of the Middle East and of the Indian subcontinent.

²See NIE-75/1, "Probable Developments in Iran through 1953," published 9 January 1953.

Economic Developments

27. The Middle East's basic economic difficulties are not likely to be resolved in the foreseeable future. It is improbable that local action can correct the low and, in some places, declining standard of living, technological backwardness, and foreign trade problems. Middle Eastern foreign trade, except possibly that of Iran, will probably continue to be principally with the Western nations. The most important foreseeable economic developments will relate to oil and to foreign aid programs.

28. Anti-Westernism and nationalism are growing threats to Western oil interests in the Middle East. However, the Arab states are unlikely to attempt to nationalize their oil industries unless they become convinced that Iran is profiting more as a result of oil nationalization than they are under existing contracts. Saudi Arabia and the small Arabian principalities are generally aware of their inability to produce and market oil without the assistance of major Western oil companies. Nevertheless, the states of the area, particularly Iraq, may be expected to exert greater pressure for an increased share of the oil revenues, for a reduction in the privileged position of the Western oil companies, and for greater local participation in their management. Refusal of the Western oil companies to make some adjustments to these pressures would increase Arab hostility toward the West and might eventually lead to further nationalization of Middle Eastern oil resources.

29. Oil revenues are an important source of revenue for government operations and potentially a source of capital for economic development in the Middle East. The oil companies provide important technical and educational services. Although fear of losing oil revenues acts as a deterrent to the adoption of extreme anti-Western policies, such rational self-interest cannot be counted upon in the present emotional political climate in the Middle East.

30. As pressures increase for economic and social reform, the governments will be under

increasing compulsion to turn to the West for assistance. The granting of such assistance may influence the evolution of the area and offer Middle Easterners hope of a solution to their social and economic problems. Nevertheless, there are formidable obstacles to a successful aid program in the Middle East. Western supervision of such aid will be handicapped by the sensitivity of the governments of the area to any signs of Western interference in local affairs. Demands for aid will probably be large and for projects which the nations of the area are not ready to use effectively; US refusal to meet these demands will create disappointment which may increase anti-US sentiment.

Military Developments

31. Middle East armed forces are incapable, individually or collectively, of effectively resisting attack by a major power. The availability and usefulness of manpower for military and military support purposes is limited by prevailing inefficient agricultural techniques, physical disabilities, a high rate of illiteracy, and lack of technical and mechanical training. None of the states of the Middle East has the resources or industrial base to support modern armed forces, and nearly all countries are already allocating disproportionately large shares of their resources for military purposes.

32. Accordingly, defense of the Middle East against Soviet Bloc aggression will ultimately depend on employment of Western armed forces. At present, local forces are not even capable of manning and maintaining adequate bases for quick and effective use by Western forces in the event of war. Efforts to strengthen Middle Eastern defenses against aggression are confronted by obstacles already noted. The Middle Eastern states, except Iran, do not feel immediately threatened by the USSR. They are apprehensive of a renewal of Western domination. Hence, there is a growing demand in most of the area for elimination of existing Western bases and removal even of existing Western military forces.

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33. On the other hand, the emergence of regimes relying largely on the support of local armed forces will stimulate demands for Western assistance in the training and equipping of those forces. But here again, this opportunity for Western influence is limited by the deep Arab-Israeli antagonism. Any aid given to one side will arouse resentment in the other.

34. It is possible that the desire for military assistance will be strong enough to induce the Arab states to join with the Western Powers in a regional defense organization, particularly if Egypt should take the lead. The success of such an organization would depend largely upon the extent to which the states of the Middle East could be convinced that they were participating as equals with the Western Powers. Even so, it is unlikely

that participation in such an organization would quickly lead the Arab states to agree to the stationing of more Western troops in the area or to the allocation of their own forces to a command organization. However, such an organization would provide a mechanism for coordinating Western military aid and advice to the Middle East states and for carrying out some preliminary defense planning. It might also have some beneficial political and psychological effect and would give the West an opportunity to reduce Middle East suspicions of Western "imperialist" designs. Such an organization is not likely to develop sufficient military strength in the Middle East during the next few years to cause the USSR to consider itself seriously threatened. Soviet rulers, however, would be particularly sensitive to any Western military moves in Iran.

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Per J. Edgar

NATIONAL INTELLIGENCE ESTIMATE

PROBABLE DEVELOPMENTS IN EGYPT



NIE-76

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CENTRAL INTELLIGENCE AGENCY

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PROBABLE DEVELOPMENTS IN EGYPT

CONCLUSIONS

1. Egypt is of major importance to Western security interests because Western access to its territory in time of war is essential for effective defense of the Middle East and because of the influence which developments in Egypt are likely to have on the other Arab states.
2. Egypt is now controlled by a military junta, the Revolutionary Command Council, which has espoused a program of internal reform and is currently attempting to secure Egypt's foreign policy objectives through negotiation with, rather than defiance of, the West.
3. Although the present regime has inherent political weaknesses and will face many difficulties, it appears capable of coping with all purely domestic problems likely to arise during the next few months. Barring unpredictable contingencies such as assassination, its earliest and possibly most decisive test is likely to arise in the field of foreign policy, specifically in connection with the contemplated negotiations with the West regarding British evacuation of the Suez base and Egypt's role in Middle East defense.
4. A successful outcome of these negotiations cannot be predicted, particularly if the Egyptians continue to insist on complete British evacuation before considering the defense arrangement which they will accept thereafter. Difficulties will almost certainly be created by hard bargaining tactics by both the British and the Egyptians, and by the many substantive issues which must still be resolved.
5. If the negotiations broke down and a prolonged stalemate ensued, the present government would probably seek to cover the failure of its foreign policy by assuming an anti-Western attitude. Faced with internal dissension, increasing opposition, and possible overthrow, the government would probably seek arms and increased trade from the Soviet bloc and at least acquiesce in a renewal of guerrilla warfare against the British garrisons. Any successor regime would probably be more extremist and anti-Western. Serious disorders would lead the British to consider military occupation of other parts of Egypt.
6. The achievement of an agreement with the West satisfactory to Egypt would greatly strengthen the position of the present Egyptian regime. Its domestic prestige would be increased and it would obtain the means for making a start toward improving its military and economic position.
7. Egypt would remain, however, a basically unstable country. Even with foreign aid, the regime would be faced with difficult problems of management and

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social adjustment in carrying out its internal reform program. Egypt's economic fortunes would continue to be largely determined by the fluctuations of the world cotton market. Finally the regime would remain burdened with the long-range problem of coping with heavy population pressure and emerging popular aspirations in a land of limited possibilities for increasing output.

8. The achievement of a defense agreement settlement with Egypt along the lines now contemplated by the US and UK would provide the West with Egyptian commitments regarding the Suez base area. It would also provide the West with an opportunity to secure closer cooperation from the other Arab states. Important sources of friction would remain, however, notably Anglo-Egyptian suspicions and Arab-Israeli tensions.

DISCUSSION

INTRODUCTION

9. Egypt is of major importance to Western security interests. The Suez Canal lies entirely within Egyptian territory. The Suez Canal area contains the largest and best located military base in the Middle East, and its communications facilities and labor supply are the best in the region. Western access to Egyptian territory in time of war is considered essential for effective defense of the Middle East. Moreover, because Egypt is the most advanced and influential of the Arab states, developments in Egypt will have considerable effect on the attitude of the other states of the Middle East toward the West, on Arab-Israeli relations, and on Communist influence in the area.

10. The Revolutionary Command Council¹ under the chairmanship of General Mohamed Nagib has complete control over the Egyptian Government. Since overthrowing King Farouk in July 1952, the RCC has put an end to parliamentary government by abrogating the 1923 Constitution and abolishing all political parties, and has destroyed or neutralized major opposition groups. General Nagib is Prime Minister and has assumed extraordinary powers for three years. The RCC not only has control over the govern-

ment and the ability to maintain public order, but it currently enjoys widespread public support for its domestic and foreign policies.

11. The members of the RCC regard themselves as revolutionary reformers; they are committed to a bold program aimed at achieving sweeping internal reforms, at gaining and exercising full Egyptian sovereignty, and at strengthening Egypt economically and militarily. Breaking with the precedent of the governments that preceded it, the RCC inaugurated its regime with an energetic assault on corruption and inefficiency and a change of approach in the field of foreign policy which has provided a new and favorable opportunity for the negotiation of outstanding issues with the UK.

BASIC CONCERNS OF GOVERNMENT IN EGYPT

Political

12. By decree, supreme sovereignty is exercised by Nagib in conjunction with the RCC, which reportedly follows the principle of majority rule. A Council of Ministers, which is appointed by and may be dismissed by the RCC, sits with the RCC to pass on the general policy of the state. The RCC has the cooperation of a number of competent civilian leaders in high posts and of the rank-and-file of civil servants.

13. Since coming to power the RCC has ruled with increasing effectiveness and has dis-

¹ The Revolutionary Command Council, commonly called the High Military Committee until a recent official announcement, is hereinafter referred to as the RCC.

played great shrewdness in dealing with existing political organizations and prominent political personalities. It has announced and implemented extensive reforms, which have always been contrived and presented in a manner which has attracted more support than opposition and conveyed a sense of active concern for the nation or some large element within it. The RCC has been able to achieve this political success, in spite of the handicap of inexperience, because its program has appealed to the important middle sector of Egyptian society, made up of students, government workers, professional classes, and small businessmen. The members of the RCC are themselves members of that social group, were educated in institutions where its emerging ideals predominated, and accept the principles and objectives of Egyptian nationalism. The RCC has won the support of the members of the middle sector of Egyptian society because its program gives expression to their aspirations for independence and reform and gives hope for the achievement of these long-cherished goals.

14. The RCC is apparently aware of the importance of catering to the urge of the middle sector to engage in political activity and so far has managed to keep it satisfied and loyal, without sacrificing its own power. Over the long run, however, the RCC will have to provide other means for this middle group to get a sense of participation in political life, or run the risk of dangerous opposition from the most politically conscious and influential members of Egyptian society. It is currently attempting to do this through the medium of the new official "Liberation Organization" which is designed to provide a new center around which political support for the new regime can be organized. The RCC has placed great emphasis upon its reformist aspirations, but it has shown increasing caution about unorthodox schemes for solving the country's problems, however great immediate political value they might have. In a period of crisis, however, inexperience and zeal to win wider popular support might lead

the RCC to attempt sweeping programs beyond the capability of the government.

15. A potential source of weakness in the RCC is its reported division into two factions on questions of principle and tactics. One group, which includes General Nagib and which has dominated the RCC from the beginning, supports a policy of moderate nationalism and currently advocates an attempt to secure benefits for Egypt through bargaining with the West. A second group is said to lean more toward extreme nationalism and a tactic of toughness and militancy. Divisions within the RCC are likely to increase if the regime fails to make progress, thus decreasing the effectiveness of the government.

16. There exist several opposition groups which might participate in a counter-revolutionary movement. These include the supporters of the monarchy, the upper-class politicians who formerly dominated Parliament, the Wafd Party, and Army groups associated with the former High Command or opposed to the Army's new political role. All these groups have been weakened or neutralized by the present government, but they would gain strength if the government suffered serious reverses or failed to make progress, or if serious conflicts developed within the RCC itself. Even the groups now supporting the RCC, particularly the Moslem Brethren, might turn against it under certain circumstances.

17. The small and factional Communist movement in Egypt is not likely to become a serious threat as long as the present regime makes progress toward its announced goals. The RCC government will continue to suppress Communism and apparently has the means to control Communist-inspired disorders in Egypt. While these circumstances prevail, Communists are unlikely to make progress toward infiltrating the armed forces or the civil agencies of the government. Communists in Egypt will probably concentrate on anti-Western propaganda themes such as "imperialism," and US support of Israel, particularly while negotiations with the West continue. If, however, the govern-

ment's policy of bargaining with the West should end in stalemate the Communists would enjoy an increased propaganda advantage. If economic deterioration and failure of projected economic and social reforms produced widespread dissatisfaction, Communist influence with students, labor, and peasants would be greatly increased. In the event of the serious weakening of the government's position in Egypt, the Communists could contribute to the general instability by supporting one or more of the opposition groups now infiltrated to a limited extent.

Economic

18. When it came to power in Egypt, the RCC was keenly aware that much of the dissatisfaction with the former regime stemmed from its corruption and from its failure to deal effectively with the country's growing economic problems. It took early and strong action against the governmental corruption and inefficiency which had had an adverse effect on the economy. The many royal favorites were removed from positions of power and political parties were required to disown and expel corrupt elements. It announced a sweeping land reform program and took steps to meet the immediate domestic cotton crisis.

19. The RCC's land reform program as enacted, though less ambitious than the one originally announced, remains its most important domestic innovation and a principal reason for its reputation as a champion of reform. Under present plans, the government will in the next five years take over that portion of individual holdings which is in excess of 200 acres for redistribution to landless peasants in two to five acre plots. In addition, the government is instituting collateral changes which may have an even more pronounced effect on Egyptian agriculture, among them a restatement of peasant rights vis-a-vis their landlords, provision for governmental fixing of agricultural wages, and compulsory membership in agricultural cooperatives by all holders of five acres or less. The land redistribution program will involve about one-tenth of the land now under culti-

vation, less what the larger landholders give to their relatives or sell to others, as permitted by the law, before the government moves in. The program is set up on self-liquidating lines; the government will pay off the large landowners in government bonds and in turn is to be paid back by the new peasant proprietors over a thirty-year period.

20. The program has thus far been a major political asset to the regime; its popularity among the peasantry and the middle groups has more than outweighed the adverse effect on the already hostile landlord class. However, the political value of the program may decline as it is carried out. Present supporters of the program may become disillusioned as it becomes apparent that only a small fraction of the millions of landless peasants — perhaps 150,000 families — will obtain plots of their own. Even if the program is quickly and efficiently implemented, rural living standards will not necessarily improve. Unemployment among hired farm laborers may increase, and production may actually decrease as a result of the changes in ownership, production methods, and marketing channels. We believe that government attempts to exact payments from the new peasant proprietors will become a continuing cause of friction, even though payments are to be spread over a thirty-year period and compensation rates have been set at half or less of the current value of the land expropriated.

21. The RCC has been forced to address itself to a serious cotton situation resulting from excessive speculation under preceding regimes, increased production of Egyptian cotton, and a slump in the world cotton market. Soon after the beginning of the new cotton crop year in September 1952, the RCC government found that the state owned a large carry-over from the preceding year's crop and that speculation had priced Egyptian cotton out of the world market, in which prices were falling. The government closed the futures market, pegged the price of cotton, and offered to buy it at that price in order to prevent the ruin of Egyptian producers. With great effort the agents of the

government have succeeded in disposing of more cotton abroad than had been sold or bartered at this time last year. The big cotton problems, however, remain unsolved. Because of increased Egyptian production, this year's carry-over will probably be larger than last year's, even if sales hold up. The most dangerous element in the situation is the effect that the current low price of cotton (less than half of last year's price for the long staple variety) has on foreign exchange earnings, upon which Egypt depends for vital imports.

22. Under the present organization of the Egyptian economy, Egypt exports about half of its agricultural output by value, using the proceeds to purchase essential foodstuffs and items like fertilizer needed to maintain production. Of these exports, cotton is by far the most important, normally providing some 75-80 percent of Egypt's foreign exchange earnings. Egypt could make some adjustments to a continuation of the present slump in world cotton prices. It could probably divert considerable additional acreage from cotton to wheat, but even at present prices wheat is still far more expensive to produce at home than to buy with cotton proceeds abroad. Egypt may be able to barter increasing quantities of cotton to the Soviet bloc in exchange for wheat and other goods. In any case, Egypt's economy would probably still remain heavily dependent on the export of a single commodity, the world price of which is unsteady and may be moving downward. Moreover, it will probably be impossible to find a substitute high money-yield crop or to achieve comparable returns from crop diversification.

23. The RCC will also be burdened by Egypt's basic economic and social problem, namely the extreme poverty caused by the pressure of rapid growth of population on the country's meagre resources. There is no ready solution to this problem. The productivity of land now under cultivation probably cannot be substantially increased. Although it is estimated that the cultivated area could be enlarged by 25 to 50 percent through reclamation and irrigation of presently unused land,

this might cost as much as ten billion dollars, or one-quarter of the total national income over a twenty-year period. In past years, gains in Egyptian production have been more than matched by increased population, and there is no reason to believe that there will be any rapid change in the conditions which are currently stimulating population growth. Industrial development on a scale sufficient to affect the Egyptian standard of living would require an investment which, like that required for the reclamation of potentially cultivable land, is larger than the economy can carry. Moreover, possibilities for industrial development are limited by the scarcity of known natural resources and by the absence of an adequate industrial base on which to build.

Military

24. Egypt's military forces comprise a 65,000-man army consisting of two infantry divisions plus smaller infantry, armored force, antiaircraft, and coast artillery units; an air force of about 3,000 men, and 111 fighter planes (37 of them jets), 17 bombers, and 57 transports; and a navy of about 5,600 men, equipped with a variety of light escort and coastal patrol vessels. These forces, together with the police, are adequate for maintaining internal order, although their present combat effectiveness is low. Much of the equipment on hand is obsolete or obsolescent, and there are serious shortages not only in major items of unit and individual equipment but also in spare parts and ammunition.

25. Egypt's present leaders, whose drive to power stemmed initially from resentment over the weakened and corrupt state of the armed forces under King Farouk, have made it clear that they want to build a modern military establishment capable of standing up against Israel and capable of assuming sole responsibility for defense of Egypt's cities and bases. This desire to strengthen the armed forces is reinforced by recognition of the favorable psychological effect which such a result would have, not only on the population at large but also on the military forces themselves, on whose continued sup-

port the present regime relies primarily for survival. However, Egypt cannot obtain the volume of equipment it desires without meeting the conditions which the US and UK wish to impose. Moreover, even if equipment is made available, the transformation of the Egyptian military establishment into an effective fighting force will require sustained outside technical assistance and a long period of training. Although their effectiveness as combat forces would probably remain low, Egyptian forces could be extremely useful as base and line of communications personnel.

Foreign Policy

26. The RCC government has had its greatest success in the field of foreign policy. It has concluded that Egypt's strategic assets and the West's need for Egypt's cooperation make it possible for Egypt to bargain effectively with the West. It has consequently abandoned the unyielding approach of its predecessors, and entered into negotiations with the West. This does not indicate a reversal of basic Egyptian attitudes. The RCC is bargaining with the West, not because it is pro-Western, but because it believes it can thus best achieve its principal foreign policy objective: (a) full sovereign independence and the strength to maintain it. The government also believes that the realization of this objective would contribute to the accomplishment of its other principal foreign policy aims; (b) leadership in the Arab world; and (c) prevention of the expansion of Israel.

27. The achievement of full Egyptian sovereignty through the evacuation of the Sudan and the Suez base area and the military and economic build-up of Egypt with Western aid are the most important of the government's announced foreign policy objectives. Although the RCC has adopted a more flexible policy in bargaining with the British on the Sudan question, RCC members probably share the almost pathological distrust of the British which characterizes their countrymen. Further success in Anglo-Egyptian negotiations will tend to ease relations between the two countries, but will almost certainly not eliminate mutual suspicions.

28. Egyptians do not regard the US as a colonial power, but US support of Israel has made them profoundly suspicious and resentful of US policy in the area. At the moment the Egyptian Government has an extremely cordial attitude toward the US, but this is probably based largely on considerations of expediency. The RCC has counted on the US to bring pressure on the UK to make concessions and sees in the US the most likely source of military and economic assistance. If the RCC became convinced that it could not obtain these benefits from the US, it would almost certainly abandon its present cooperative attitude. Under any circumstances, the RCC would object to anything which it interpreted as US interference in Egyptian affairs.

29. The Egyptian Government will continue its policy of developing and exercising political ascendancy in the Arab world. Although Egypt may devote increasing attention to the Sudan and Libya, it will continue to play the leading role in the Arab League. The other Arab states would probably follow Egypt's lead in associating themselves with a Middle East defense organization if offered comparably favorable terms, and would be unlikely to join if Egypt failed to do so. The other Arab states will also tend to give considerable weight to the Egyptian position in such matters as joint action relating to Israel. With the possible exception of Syria, however, they are unlikely to recognize Egyptian authority to make decisions for the Arab League.

30. The RCC is well disposed toward Pakistan and would probably welcome that country's participation in an area defense organization in which Egypt was involved. However, it would resist Pakistani efforts to exercise leadership in the Arab world.

31. Egypt's desire to obtain and to continue to receive military and economic aid from the West may lead the government to restrain itself in its public utterances and public policy toward Israel, but Egyptian hostility toward Israel cannot be expected to change. The RCC will attempt to strengthen the Arab League boycott, which it recognizes has been causing trouble for Israel. Egypt's policy on the procurement of arms and military assist-

ance will continue to be conditioned in large measure by its desire to redress the military balance of power between itself and Israel. There is little likelihood that Egypt will take steps to come to an over-all peace settlement with Israel, or accept such overtures as Israel is willing to make. However, the present government's evident belief in the advantages of bargaining and of compromise may lead it to move toward some more specific regularization of its relations with Israel.

32. The attitude of the RCC toward the East-West conflict is opportunistic. It sees a more immediate threat from Israel and the UK than from the USSR. It regards the cold war primarily as a circumstance which enhances its bargaining power with the West, particularly the US. It is willing to contemplate cooperation with the West for regional defense mainly because it hopes the West in return will evacuate the Suez base area and grant military and economic aid. If aid were not forthcoming from the West, we believe the Egyptians would probably attempt to obtain arms from or to expand trade with the Soviet bloc, although, as with the West, they would attempt to avoid any agreements with the bloc which would involve any form of political alignment. However, opportunities for trade with the Soviet bloc are limited and the USSR would not be likely to give substantial assistance to any Egyptian regime which was not under virtual Communist domination.

PROBABLE DEVELOPMENTS

33. Although the present government is apparently capable of maintaining security and has reportedly made provision for an orderly succession within the RCC, the Egyptian situation contains so many elements of instability that the course of events might be suddenly shifted by some unpredictable development. Nevertheless, the present regime apparently intends to follow through with a policy of achieving Egyptian objectives if possible through negotiations with the West. The outcome of these negotiations not only will have a major effect on Western interests in Egypt and in the rest of the Middle East but also is likely to exercise a determining influence on the RCC's future policies and ten-

ure of power. We foresee no domestic issues which are likely to produce serious dissension within the RCC or to provide opposition groups with a sufficiently powerful lever to oust it from office during the next few months. Economic problems, while serious, are not likely to assume critical proportions during that period. Thus the earliest and possibly most decisive test of the regime is likely to arise over foreign policy.

34. The first stage in the execution of this policy has recently been completed by the signing of an Anglo-Egyptian agreement providing for self-determination of the Sudan within a period of three years. The RCC has secured the early removal of the British-dominated Sudan administration and has gained at least temporarily the good will of the great majority of Sudanese leaders. The Western Powers, meanwhile, have achieved the removal of the principal stumbling block to settlement of their other outstanding problems with Egypt without abandoning the principle that the Sudanese must be able to decide for themselves whether they wish to be independent or joined in some fashion with Egypt.

Negotiations with the UK and the US

35. With the completion of the formal Sudan agreement, negotiations are now to go forward on the future of the British-occupied Suez base and on Egypt's role in defense of the Middle East. It is expected that Egypt will be offered a firm commitment regarding evacuation of British troops from Egyptian soil and assurance of UK-US economic and military assistance in return for commitments regarding: (a) Western use of the Suez base in time of war; (b) peacetime maintenance and air defense of the Suez base area; and (c) Egyptian participation in a regional defense organization.

36. We are unable to estimate the outcome of these negotiations.

a. On the one hand, the successful conclusion of the Sudan talks has created a favorable atmosphere for the negotiations. RCC members have conceded the need for Western technicians to maintain the Suez base, and have indicated that the government would be

willing to consider participation in Middle East defense planning once its demands regarding evacuation and military assistance had been met. The British, for their part, have agreed to the principle of evacuation of their troops from Egyptian territory, providing that satisfactory alternate security arrangements are worked out with Egypt.

b. On the other hand, the multitude of compromises which must be worked out and the attitudes which the UK and Egypt are likely to display in dealing with each other will tend to make the negotiations protracted and difficult. The UK will probably continue to regard the Egyptians as oriental bargainers who would be quick to take advantage of any loophole and who would regard any freely offered concession as a sign of weakness; in consequence, the British will probably continue to favor a legalistic step-by-step bargaining technique designed to assure a firm Egyptian commitment in return for every British concession made. For their part, the Egyptians will tend to remain suspicious about British sincerity on the evacuation issue, skeptical about the military necessity for foreign participation in the maintenance and the ground defense of the Suez base area, and anxious to make the most of current Western eagerness to reach a settlement.

37. Negotiating difficulties are mostly likely to arise over the following points:

a. *Evacuation of the Suez Base.* The UK plans to phase withdrawal of British troops from the Suez base area with progress in the negotiations, in order to insure Egypt's following through with negotiations in good faith. On the other hand, the Egyptians have not only insisted that complete evacuation of British troops from Egypt is a prerequisite to a deal with the West, but have sometimes asserted that serious negotiations might be out of the question until evacuation had been completed.

b. *Air Defense.* The UK will urge the military necessity of having RAF squadrons participate in air defense of the Suez base area until Egyptian capabilities improve. Egyptian distrust of the British and their sensi-

tivity on the question of sovereignty may lead them to reject this proposal or to demand restrictions on RAF activity unacceptable to the British.

c. *Base Technicians.* Arguments over the number of technicians needed and their relationship with the Egyptian Government will almost certainly arise.

d. *Regional Defense Organization.* Although the Egyptians have indicated a willingness to discuss plans for a Middle East defense organization if their own requirements are fulfilled, they have shown little real enthusiasm for the project and will probably seek to keep their own commitments to the organization to a minimum. They will probably be reluctant to grant the organization pre-emergency rights in Egypt. In addition, they can be expected to take strong exception to having a British officer head the military command or staff organization. The Egyptians may present their own plan for an area defense organization based on the Arab League Security Pact.

e. *Economic and Military Aid.* The Egyptians may object to the proposed phasing of aid to progress in the negotiations. They may make unreasonable demands regarding the type and quantity of aid, and may hold out for grant aid with no strings attached. Finally, probable British insistence on the UK's position as Egypt's habitual source of military supplies may cause difficulties.

If Negotiations Break Down

38. If the negotiations broke down completely and if the US and UK were unsuccessful in evolving some new and different approach to the problem, we believe that the situation in Egypt would gradually deteriorate. Open opposition to the British would increase, and opponents of the policy of negotiating with the West would be strengthened. At least initially, the RCC would probably seek to convince the US of the necessity of assisting them regardless of what the British thought. Requests for US economic and military assistance would be renewed, accompanied by warnings of the increasing danger of the assumption of power by Communist or ultra-national-

alist elements and by hints that Egypt might be forced to turn to the Soviet bloc for assistance.

39. If the stalemate between Egypt and the West continued, the regime would almost certainly be compelled to adopt new tactics. US ability to influence the situation would decrease. The Egyptian Government would probably seek to obtain arms from and to increase its trade with the Soviet bloc. Anti-British demonstrations would probably take place in the cities, and a renewal of guerrilla warfare against the British troops in the Suez base area would be likely. Although the Egyptians would not be capable of physically expelling the British garrisons there, even if the Egyptian Army were employed, a combination of guerrilla attacks and economic sanctions could make the operation and maintenance of the base difficult and costly. As tensions mounted within Egypt, the RCC would face internal dissension, increasing opposition and possible overthrow. Any successor regime would probably be more extremist and anti-Western. Serious disorders would lead the British to consider military occupation of other parts of Egypt.

If Negotiations Succeed

40. If the RCC succeeded in reaching a satisfactory agreement with the West, its position would be greatly strengthened. Even if some technicians and RAF units were allowed to remain, Egyptian assumption of control over the Suez base and the evacuation of its British garrison — a goal which previous Egyptian governments have attempted in vain — would represent an important triumph for the regime which would add to its prestige and undermine the opposition. The removal of the immediate causes of friction between Egypt and the West under these favorable circumstances would increase Egyptian self-esteem. Finally, receipt of economic and military aid would further strengthen the position of the government and permit it to make some progress toward improving economic conditions.

41. Achievement of a general settlement between Egypt and the West would at best ameliorate the situation and would not itself

guarantee lasting results. Several potential sources of friction between Egypt and the West would remain:

a. Suspicion of the West and lack of primary concern over the Soviet menace would continue, at least initially. As a result Egypt would probably be grudging in its cooperation with the Middle East defense organization and might seek, in response to popular pressure or on its own initiative, to circumscribe the actions of the defense organization and of Western military advisers within its territory.

b. Egypt would almost certainly insist on continuing economic and military aid as the price of continued cooperation with the West. Particularly in the military field, friction would be likely to arise over the amount and character of Western assistance.

c. Antagonism between the Arab states and Israel would continue, and the provision of substantial amounts of military equipment to Egypt would arouse Israel's fears of a renewal of hostilities. US association with Israel would continue to handicap US relations with Egypt.

42. Other potential sources of friction not directly connected with the settlement will remain:

a. Some friction will probably arise over implementation of the Sudan agreement, particularly as the time for elections and for the later decision on Sudan's future status comes near. The retiring British element in the Sudan administration is bitterly hostile to Egypt and will probably seek to encourage anti-Egyptian tendencies in the Sudan. Egypt, on the other hand, will probably employ electioneering and proselytizing tactics to which the British would take exception.

b. The status of the Suez Canal might also become the subject of controversy. Egypt has sought to prevent the movement of Israel-bound goods through the canal, and the British and French have asked the help of other Western nations to bring an end to this practice. The RCC government will probably continue to attempt to block the passage of Israeli goods.

The Outlook for Internal Stability

43. In any event, Egypt would remain a basically unstable country. Under the best of circumstances, the RCC regime would have serious problems of management and social adjustment in carrying out its internal reform program. In addition, it has only limited ability to fulfill the hopes and expectations of a better life which its own program is helping to stimulate. Egypt's economic fortunes will continue to be largely determined by the fluctuations of the world cotton market. The younger middle-class element which represents the most volatile group in Egyptian political life will still find only limited opportunities for acquiring jobs and status. Finally, the government will continue to be confronted with the underlying difficulty of coping with heavy population pressure in a land of scarcity in all the factors required to expand agricul-

tural and industrial output. Although this is a chronic problem which may never emerge in the form of a clear-cut immediate crisis, it nevertheless makes Egypt's long-range prospects for stability unfavorable.

44. Even with the benefit of foreign military and economic aid, the regime would still have difficulty in sustaining the atmosphere of progress which has helped to buttress its position thus far. In order to provide the lower middle and fellahin groups with an emotional substitute for unachieved social and economic improvements, it might be obliged to adopt extremist policies, in the foreign as well as in the domestic field. If the regime failed to make continuing progress and was unable to provide adequate emotional substitutes, it would probably have to resort increasingly to repressive and authoritarian methods to remain in power.

Intelligence Information Cable

IN 49185

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PAGE 1 OF 5 PAGES

STATION: DIA NMCC MC LEECHIE JCS ARMY NAVY AIR CIA/NMCC JIC NSA SDO ONE CRS
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CITE

DIST 14 FEBRUARY 1968

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3.4(n)(1)

COUNTRY ARAB STATES/ISRAEL/USSR

DOI 5 FEBRUARY 1968

SUBJECT COMMENTS BY SOVIET OFFICIAL ON THE POSSIBLE RENEWAL
 OF ARAB-ISRAELI HOSTILITIES AND SOVIET INTENTIONS

ACQ

SOURCE

1.5(c)
3.4(n)(1)

See page 5

1. COMMENT: THE FOLLOWING REPORT IS

THE FIRST INFORMATION RECEIVED

REGARDING SOVIET PLANS TO PARTICIPATE IN A LIMITED ARAB

OFFENSIVE AGAINST ISRAEL.

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3.4(n)(1)

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(classification)1.5(c)
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(classification)

(dissem controls)

THE

SOVIETS NOW BELIEVE A RENEWAL OF ARAB-ISRAELI HOSTILITIES WILL
OCCUR IN LATE SPRING. [REDACTED] HOSTILITIES

1.5(c)
3.4(b)(1)

ARE INEVITABLE SINCE IT IS IMPOSSIBLE TO ARRANGE A VEHICLE FOR
NEGOTIATIONS BETWEEN THE ISRAELIS AND THE ARABS. [REDACTED]

COMMENT: A SIMILAR REPORT FROM THE AMERICAN EMBASSY IN BEIRUT
WAS RECEIVED IN LATE JANUARY [REDACTED]

[REDACTED] ACCORD-

ING TO THIS REPORT, [REDACTED]

1.5(c)
3.4(b)(1)

[REDACTED] EGYPT WAS PREPARING A LIMITED ATTACK AGAINST
ISRAELI FORCES IN LATE FEBRUARY TO DRIVE THE ISRAELI FORCES
BACK "THREE OR FOUR MILES" FROM THE SUEZ CANAL. [REDACTED]

[REDACTED] SEE BEIRUT EMBASSY

AIRGRAM A-639 DATED 31 JANUARY 1968. ANOTHER REPORT ON THE
POSSIBLE RENEWAL OF HOSTILITIES [REDACTED] RECEIVED IN LATE JANUARY

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(dissem controls)

1.5(c)
3.4(b)(1)

[REDACTED] STATED THAT THE UAR IS PLANNING TO RESUME HOSTILITIES BECAUSE OF THE EXTREME PESSIMISM OVER THE SUCCESS OF THE MISSION OF UN SPECIAL ENVOY GUNNAR JARRING. MINISTER OF WAR FAWZI REPORTEDLY FAVORS AN ATTACK ON 5 JUNE 1968 WHILE PRESIDENT NASIR PREFERS AN EARLIER DATE, LATE MARCH OR EARLY APRIL, IF POSSIBLE. IN VIEW OF THE LACK OF IDENTIFICATION OF THE [REDACTED] INFORMANTS, THE REMARKS ATTRIBUTED TO THE UAR LEADERS SHOULD BE TREATED WITH CIRCUMSPECTION.)

1.5(c)
3.4(b)(1)

3. [REDACTED] WHEREAS PREVIOUSLY SOVIET ADVISORS [REDACTED] STAYED IN THE BACKGROUND AND [REDACTED] PLAYED A LIMITED ROLE IN SHAPING AND ORGANIZING ARAB ARMIES, THEY ARE NOW ACTIVELY ENGAGED IN REORGANIZING ARAB FORCES AND ENGAGING IN SOME COMMAND FUNCTIONS. [REDACTED] WHEN THE FIGHTING IS RENEWED, THE SOVIETS WILL ACTIVELY AID THE ARABS IN GAINING BACK THE TERRITORY LOST IN THE JUNE 1967 WAR. [REDACTED]

1.5(c)
3.4(b)(1)~~SECRET~~

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(classification) (dissem controls)

SOVIET ASSISTANCE, HOWEVER, WILL BE LIMITED TO REGAINING ONLY THAT TERRITORY LOST IN THE JUNE WAR.

COMMENT: THE SAME EMBASSY AIRGRAM CITED IN PARAGRAPH 2 ALSO STATED SOVIET ADVISORS WOULD DIRECT A LIMITED ATTACK AGAINST ISRAEL FOR THE SOLE PURPOSE OF IMPROVING EGYPT'S BARGAINING POSITION WITH ISRAEL. THE SAME

1.5(c)
2.4(b)(1)

ALSO CLAIMED THAT THE SOVIETS WERE ASSISTING THE UAR IN PLANNING AND TRAINING FOR A RESUMPTION OF HOSTILITIES. THE SOVIETS HAVE ADVISED THE UAR THEY WILL SUPPORT AN ATTACK AGAINST ISRAEL TO RECOVER THE TERRITORY LOST DURING THE JUNE WAR IF DIPLOMATIC EFFORTS FAIL; BUT THE SOVIETS MADE IT VERY CLEAR THAT ISRAEL IS HERE TO STAY AND THAT THEY WILL NOT ACQUIESCE IN OR FACILITATE ISRAEL'S DESTRUCTION.

1.5(c)
2.4(b)(1)

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(classification) (dissem controls)

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(classification)

(dissem controls)

1.5(c)
3.4(b)(1)

THE "PUEBLO"

INCIDENT [REDACTED] DRAMATICALLY DEMONSTRATED THAT THE UNITED STATES HAS MADE IT CLEAR IT WILL AVOID A COMMITMENT OF ITS FORCES ELSEWHERE. [REDACTED] THE SOVIETS BELIEVE THAT THE UNITED STATES WILL NOT INTERVENE ON ISRAEL'S BEHALF UNLESS THE PRE-JUNE 1967 BORDERS ARE CROSSED. IN VIEW OF THIS, [REDACTED]

[REDACTED] THE ARABS SHOULD TAKE ADVANTAGE OF THE SITUATION TO REGAIN THEIR LOST LANDS. [REDACTED]

1.5(c)
3.4(b)(1)

[REDACTED] A REASSESSMENT OF SOVIET AND AMERICAN POWER POSITIONS [REDACTED] MAY RESULT IN A MAJOR ARAB MILITARY OFFENSIVE AGAINST ISRAEL BY JUNE 1968.]

5. [REDACTED] DISSEM: STATE ARMY NAVY AIR CINCSOUTH (PERSONAL)

CINCMEAFSA [REDACTED]

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3.4(b)(1)5
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(classification)

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PAGE:2366

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3. ISRAEL-US: DEFENSE MINISTER RABIN TO VISIT

WHILE IN WASHINGTON NEXT WEEK, DEFENSE MINISTER RABIN WILL TRY

PAGE 6 RUEAIIA 9156 [REDACTED]
TO SHORE UP ISRAEL'S DEFENSE INDUSTRIES BY URGING MORE JOINT WEAPONS
DEVELOPMENT PROGRAMS WITH THE US AND INCREASED US MILITARY PURCHASES
FROM ISRAEL. HE ALSO WILL SEEK ASSURANCES THAT US MILITARY GRANT AID
TO ISRAEL WILL REMAIN AT THE CURRENT ANNUAL LEVEL OF \$1.8 BILLION.
[REDACTED]

COMMENT: RABIN SPEARHEADED THE EFFORT TO CANCEL THE LAVI
FIGHTER AIRCRAFT PROJECT AND WANTS TO MINIMIZE THE DAMAGE TO ISRAELI
HIGH-TECHNOLOGY INDUSTRY FROM THE LOSS OF MORE THAN \$200 MILLION
ANNUALLY IN LAVI-RELATED CONTRACTS. HE HOPES TO ACQUIRE SUBSTANTIAL
US FUNDING THROUGH PARTICIPATION IN SDI TO DEVELOP ISRAEL'S ARROW
ANTITACTICAL BALLISTIC MISSILE. ISRAEL LAST MONTH SECURED GENEROUS
TERMS FOR ITS PENDING PURCHASE OF 75 F-16 C/D FIGHTER AIRCRAFT, AND
RABIN WANTS EQUALLY FAVORABLE TERMS FOR A PLANNED PURCHASE OF AH-64
APACHE ATTACK HELICOPTERS. HE WILL TRY TO MAXIMIZE OFFSETS--
STIPULATIONS REQUIRING US PURCHASES FROM OR CONTRACTS WITH ISRAELI
FIRMS--ASSOCIATED WITH THESE TWO MAJOR PURCHASES TO INCREASE THE
WORKLOAD FOR HIS COUNTRY'S AILING DEFENSE INDUSTRIES. [REDACTED]

11 Dec 87

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PAGE:1149

PAGE 8 RUEAIIA 0915 ~~SECRET~~

3. ISRAEL-US: RABIN'S VISIT

25 June 88

ON THE EVE OF HIS US VISIT, ISRAELI DEFENSE MINISTER RABIN HAS ANNOUNCED THE RELEASE OF A SMALL NUMBER OF PALESTINIANS DETAINED FOR PROTEST ACTIVITY--EVIDENTLY TRYING TO HEAD OFF CRITICISM OF HIS TOUGH SECURITY MEASURES. HE ALSO HAS MET WITH PROMINENT PALESTINIANS AND REOPENED SOME HIGH SCHOOLS IN THE WEST BANK. IN ADDITION TO DISCUSSIONS ON ISRAELI MEASURES TO QUELL THE PALESTINIAN UNREST, RABIN EXPECTS HIS VISIT TO FOCUS ON DEFENSE ISSUES--INCLUDING THE PROSPECTS FOR ISRAELI PARTICIPATION IN SDI PROJECTS AND TECHNOLOGY TRANSFER. HE IS LIKELY TO EXPLORE US THINKING ON THE PROLIFERATION OF MISSILES, NUCLEAR WEAPONS TECHNOLOGY, AND CHEMICAL MUNITIONS IN THE ARAB WORLD. [REDACTED]



COMMENT: RABIN MADE THE CONCILIATORY GESTURES TO COUNTERACT THE UNFLATTERING PORTRAYAL OF HIM IN FOREIGN MEDIA FOR HIS "IRONFIST" POLICY. RABIN PROBABLY TIMED THE ANNOUNCEMENT OF THE RELEASES TO FORESTALL US CRITICISM OF CONTINUING PALESTINIAN CASUALTIES AND


PAGE 9 RUEAIIA 0915 ~~SECRET~~
VIOLENCE IN THE WEST BANK AND GAZA STRIP. BY KEEPING CONTENTIOUS

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PAGE:1150


DISCUSSION OF ISRAELI SECURITY MEASURES TO A MINIMUM, RABIN PROBABLY
HOPES TO EXTEND CONSULTATIONS ON ISRAELI ACQUISITIONS OF MILITARY
HARDWARE AND ON ARAB WEAPONS PROGRAMS. HE IS LIKELY TO FOCUS ON THE
PROSPECTS FOR FURTHER SYRIAN MISSILE ACQUISITIONS--ESPECIALLY THE
CHINESE M-9--AND THE STATUS OF SAUDI ARABIA'S CSS-2 SITES. 



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BODY

SUBJECT: SCIENCE AND WEAPONS REVIEW CABLE,
SW SWRC 89-5002K, 10 JANUARY 1989

X-----

ISRAEL: ANTITACTICAL BALLISTIC
MISSILE PROGRAM [REDACTED]

VARIOUS SOURCES INDICATE THAT THE ISRAELIS ARE
ENGAGED IN A LARGE, DIVERSE ANTITACTICAL BALLISTIC
MISSILE PROGRAM TO DEVELOP DEFENSES AGAINST ARAB
MISSILES ARMED WITH CHEMICAL WARHEADS. WITH
CONTINUED US TECHNICAL ASSISTANCE, THE ISRAELIS
SHOULD BE ABLE TO MEET THEIR 1995 DEPLOYMENT GOAL.
[REDACTED]

NR



X-----
1. ISRAEL: ANTITACTICAL BALLISTIC
MISSILE PROGRAM [REDACTED]:
VARIOUS SOURCES INDICATE THAT THE ISRAELIS ARE ENGAGED IN A
LARGE, DIVERSE ANTITACTICAL BALLISTIC MISSILE (ATBM) PROGRAM
TO DEVELOP DEFENSES AGAINST ARAB MISSILES ARMED WITH CHEMICAL
WARHEADS. ACCORDING TO THESE SOURCES, THE ISRAELIS PLAN TO
HAVE THE FIRST PHASE OF THESE DEFENSES READY BY 1995. [REDACTED]

A LARGE PART OF THEIR ATBM PROGRAM IS FUNDED THROUGH THE US
STRATEGIC DEFENSE INITIATIVE (SDI) PROGRAM FOR THEATER



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PAGE:0055

[REDACTED]
DEFENSE. DEFENSE ATTACHE AND OTHER REPORTING INDICATES THAT
ADMIN
[REDACTED]

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[REDACTED]

SECTION 3 OF 18

[REDACTED]

BODY

SUBJECT: SCIENCE AND WEAPONS REVIEW CABLE,
SW SWRC 89-5002K, 10 JANUARY 1989

(RVS) OF SS-21 AND SS-23 SHORT-RANGE BALLISTIC MISSILES.

TO OBTAIN INITIAL TARGET POSITION AND VELOCITY DATA, THE
ARROW WILL RELY ON A PHASED-ARRAY RADAR, [REDACTED]

AFTER TARGET TRACK BY THE RADAR, THE ARROW WILL BE LAUNCHED.
IT WILL USE GROUND-BASED RADAR-DERIVED DATA FOR THE INITIAL
PORTION OF FLIGHT. AN ONBOARD INERTIAL MEASUREMENT UNIT THEN
WILL FLY IT TO [REDACTED] THE
ESTIMATED INTERCEPT POINT, [REDACTED]

[REDACTED]

TARGET KILL WILL BE EFFECTED BY A NONNUCLEAR, SHAPED WARHEAD.
THE PLANNED PROBABILITY OF KILL IS 90 PERCENT. [REDACTED]

[REDACTED]

[REDACTED] THE THREE
ARROWS MODIFIED TO SIMULATE TACTICAL BALLISTIC MISSILES WILL

*Bracketed
Denied*

[REDACTED]

[REDACTED]

~~TOP SECRET~~

PAGE:0048

[REDACTED]

FLY A PROFILE SIMILAR TO THAT OF THE SS-23. THEY WILL BE LAUNCHED FROM A BARGE IN THE MEDITERRANEAN TOWARD THE ISRAELI COAST. THE OTHER THREE ARROW MISSILES ARE TO INTERCEPT THEM FROM THE YAVNE MISSILE TEST CENTER SOUTH OF TEL AVIV. [REDACTED]

[REDACTED]

RELIABLE REPORTING INDICATES THAT THE ISRAELIS CONSIDER THE ARROW PROGRAM TO BE ON SCHEDULE. THE FIRST SOLID-MOTOR BOOSTER TEST [REDACTED] ACHIEVED PARTIAL SUCCESS, AND THE SECOND SUCH TEST [REDACTED] WAS COMPLETELY SUCCESSFUL. [REDACTED]

ISRAEL IS PRESSING THE UNITED STATES TO PROVIDE FUNDS FOR THE DEVELOPMENT OR PURCHASE OF THE ARROW SYSTEM'S ENGAGEMENT AND EARLY WARNING RADARS (IN ADDITION TO THE [REDACTED] DOLLARS ALREADY AGREED TO). [REDACTED]

TEST BED

IN ADDITION TO THE ARROW PROGRAM, A COMMAND, CONTROL, AND COMMUNICATIONS TEST BED WILL BE CONSTRUCTED TO CONDUCT COMPUTER SIMULATIONS OF PROPOSED ATBM DEPLOYMENT ARCHITECTURES. THE TEST BED WILL BE BUILT BY THE ISRAELI FIRM TADIRAN [REDACTED] AND THE CONSTRUCTION WILL TAKE ABOUT 30 MONTHS. THE [REDACTED] COST IS CURRENTLY BEING COVERED BY ISRAEL; HOWEVER, DEFENSE MINISTER RABIN HAS ASKED THAT THE COST BE SPLIT BETWEEN THE UNITED STATES AND ISRAEL, WITH THE UNITED STATES FUNDING 80 PERCENT, AS WITH THE ARROW PROGRAM. [REDACTED]

HYPERVELOCITY GUN

THE ISRAELIS HAVE ALREADY DEVELOPED A PROTOTYPE FOR A ADMIN [REDACTED]

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[REDACTED]

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PAGE: 0044

[REDACTED]

SECTION 4 OF 18

[REDACTED]

[REDACTED]

0001

SUBJECT: SCIENCE AND WEAPONS REVIEW CABLE,
SW SWRC 89-5002K, 10 JANUARY 1989

HYPERVELOCITY GUN. THE PROTOTYPE HAS A BARREL ABOUT 4 METERS LONG, ABOUT 45 CENTIMETERS (CM) IN DIAMETER IN THE REAR, AND TAPERING TO ABOUT 18 CM IN FRONT. PROPULSION IS STARTED BY ELECTROMAGNETIC FORCE FOLLOWED BY A CHEMICAL CHARGE TO INCREASE VELOCITY. THE SYSTEM HAS ACHIEVED A VELOCITY OF 1,950 METERS PER SECOND. THE TESTS HAVE BEEN CONDUCTED AT THE SOREQ NUCLEAR RESEARCH FACILITY SOUTH OF TEL AVIV. THE FINAL GUN PROBABLY WILL HAVE A CALIBER OF ABOUT 155 MILLIMETERS. THE COST OF THIS PROGRAM IS 85 DOLLARS MILLION.

Refer to
[REDACTED]

[REDACTED]

~~TOP SECRET~~

[REDACTED]

HEL PROGRAM

ISRAEL HAS AN EXTENSIVE LASER RESEARCH AND DEVELOPMENT COMMUNITY. THERE ARE 35 ISRAELI FIRMS, AS WELL AS A NUMBER OF UNIVERSITIES, ENGAGED IN ELECTRO-OPTICS AND LASER RESEARCH AND PRODUCTION. THE CENTER OF EXCELLENCE FOR CHEMICAL LASERS AT BEN GURION UNIVERSITY HAS A GRANT UNDER THE SDI FRAMEWORK TO DEVELOP NOVEL CHEMICAL LASERS. SOURCE REPORTING INDICATES THAT THE WEAPON SYSTEMS DIVISION OF RAFAEL, THE ISRAELI ARMS DEVELOPMENT AUTHORITY, IS WORKING ON AN AIRBORNE CHEMICAL LASER WEAPON SIMILAR TO THE US MIRC SYSTEM. HOWEVER, RAFAEL SEEMS TO LACK DATA ON MISSILE VULNERABILITY TO LASER ATTACK. GIVEN THE DIFFICULTIES THE UNITED STATES HAS ENCOUNTERED IN TRYING TO DEVELOP LASERS FOR MISSILE DEFENSE, WE BELIEVE THAT THE ISRAELI AIRBORNE HEL WILL BE MORE USEFUL AGAINST CRUISE MISSILES THAN AGAINST BALLISTIC MISSILES. [REDACTED]

SPACE-BASED SENSORS

WITH THE LAUNCH OF THEIR FIRST SATELLITE, THE ISRAELIS DEMONSTRATED THE CAPABILITY TO PLACE A SATELLITE IN LOW EARTH ADMIN
[REDACTED]

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PAGE:0645

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ISRAEL'S LAUNCH OF A SMALL RESEARCH SATELLITE IN
SEPTEMBER 1988 HEIGHTENED THE ARAB STATES' CONCERNS
OVER ITS TECHNOLOGICAL PROWESS AND REINFORCED THEIR
DETERMINATION TO PURSUE THEIR OWN SATELLITE
DEVELOPMENT PROGRAMS. THE ARABS ARE UNLIKELY TO
PRODUCE A SATELLITE FOR AT LEAST THE NEXT DECADE.

14 Nov 89

4. Communist and Communist sympathizing Jews have initiated counter-action which may have been directed by recent instructions from Moscow. The pro-C-
panda line taken by them is as follows: Even if Halenkov admits anti-
Semitism, he can never promote this policy to the extent that Hitler did
because it is forbidden by the Communist Party. Soviet action is not direc-
ted against the Hebrew nation as such, and therefore cannot be considered
an aspect of a racial struggle. Such action is directed against the Jewish
bourgeoisie and is therefore an aspect of a class struggle. Affirmation is
made to Jewish circles that the Satellites will maintain diplomatic rela-
tions with Israel. It has been rumored that Jewish emigration from Iron
Curtain countries will not be interrupted, but that small groups will be
permitted to emigrate as before.
5. Communist counter-propaganda does not seem to have had great success among
the Jews. Communist cells are, however, active.
6. Jewish commercial circles, feeling that "business is business," will reportedly
refuse to allow commercial activities to be influenced by political events, in
view of the possibilities offered by Iron Curtain countries.

~~TOP SECRET~~

PAGE:0661

[REDACTED]

/***** BEGINNING OF SECTION 016 *****/
FROM SELLING SUCH TECHNOLOGY. [REDACTED]
[REDACTED]

[REDACTED]

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Soviet and Radical Threats

The signing of the Libyan-Ethiopian-South Yemeni Pact in August has intensified the radical, Soviet-backed threat to pro-Western countries in the southern Red Sea area. The Tripartite Pact caps Soviet efforts since 1977 to bring about closer ties between South Yemen and Ethiopia and, more recently, Ethiopia and Libya. The Pact probably will tie Ethiopia more closely to the radical community and increase Ethiopian-backed military and terrorist activity by the Somali Salvation Front against the government of Somali President Siad.

South Yemen continues to support insurgents against the North Yemeni Government of President Salih. Libya mounts subversive activities against President Nimeiri of Sudan, and Ethiopia may be considering support to Sudanese dissidents. External pressures may heighten political tensions within Djibouti.

The radical states act in the shadow of an impressive Soviet military presence. The USSR has furnished substantial military aid and training to South Yemen since the early 1970s and to Ethiopia since 1977 (the Ogaden war); at present, there are approximately 1,000 Soviet military advisers in each country. Soviet military aircraft regularly use Aden airport to patrol the Indian Ocean, and Soviet warships from the Indian Ocean Squadron make regular use of Aden port and of the anchorage at South Yemen's Socatra island. In Ethiopia, Soviet aircraft use Asmara for reconnaissance flights, and the Soviet Navy regularly visits Dahlak island in the southern Red Sea. Soviet warships transit the Suez Canal en route between the Mediterranean and the Indian Ocean. This continuous land, air, and naval presence stands in contrast to the Soviet failure to develop a comparable presence in or around the entrance to the Persian Gulf.

The Soviets could substantially improve their overall military posture in this region by introducing relatively small numbers of men in selected types of military units. The deployment of two or three Soviet squadrons of combat aircraft to Ethiopian or South Yemeni

airfields, for example, could provide air defense and ground support capabilities to a range of about 800 kilometers. A much more sustained buildup would be necessary for Soviet forces to match the kind of forces the United States and its allies can bring into the region.

A Red Sea Strategic Consensus?

These threats give several Arab countries a stake in Red Sea security. Egypt, Sudan, and Saudi Arabia explicitly recognize the strategic importance of the region. All three countries see Soviet activities in the Middle East as designed to weaken pro-Western governments and gain control of the strategic sea lanes and Persian Gulf oilfields. Cairo, Khartoum, and Riyadh also believe that the Tripartite Alliance of South Yemen, Ethiopia, and Libya was probably instigated by the Soviet Union and pursues similar objectives to the USSR.

Jordan's traditional distrust of Soviet goals has been strengthened by Moscow's strong support for Syria. Despite its recent purchase of arms from the USSR, Amman has worked to limit Soviet influence in the Persian Gulf and the Yemens and is sensitive to any threat to its trade route through the Gulf of Aqaba.

Most dramatic, Iraq has been forced to recognize common security interests with its traditional rivals, the moderate Arab countries. Even though Iraq does not border on the Red Sea, its war with Iran has made the Red Sea an important alternative route for exports and imports. Baghdad has received large quantities of civilian and military supplies from Jordanian and Saudi Red Sea ports and is pursuing several road and rail projects—as well as the oil pipeline—across Saudi Arabia, Jordan, and Syria. No matter how the war ends, Iraq will still have to contend with its longstanding strategic problem—Iran's ability to cut Iraq's trade lifeline through the Persian Gulf and Strait of Hormuz. These military and economic incentives for rapprochement with the moderate Arabs coincide with an estrangement from the USSR—prompted by the Soviet cutoff of supplies to Iraq during the war as well as Iraqi worry over Soviet expansionism in the region—and from the radical Arab states—which refused to support Iraq, a fellow Arab country, against Iran.

* For regional reactions to the Tripartite Pact, see SNIE 34/74.1-41, 4 November 1981, *The Libyan-Ethiopian-South Yemeni Pact: Short-Term Prospects*.

~~Secret~~



National
Foreign
Assessment
Center

~~Secret~~
NOFORN

A Red Sea Security System: Political, Military, and Economic Issues

An Intelligence Assessment

*Information available as of 8 December 1981
has been used in the preparation of this report.*



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December 1981

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NOFORN

A Red Sea Security System: Political, Military, and Economic Issues

Key Judgments

The strategic importance of the Red Sea is likely to grow substantially over the next few years as a result of recent military and economic developments:

- US Rapid Deployment Forces rely on military facilities in the region to help counter Soviet expansionism.
- Saudi Arabia has just completed an oil pipeline to the Red Sea that will enable it to export a substantial share of its crude without going through the vulnerable Strait of Hormuz.
- Riyadh has agreed to finance a pipeline to the Red Sea from Iraqi oil fields.
- At the same time the Libyan-Ethiopian-South Yemeni pact as well as the Soviet presence in South Yemen and Ethiopia threaten the stability of the southern Red Sea basin.

These developments give Arab countries from Egypt through Saudi Arabia to Iraq a stake in Red Sea security. At present, security cooperation among these and other Arab countries faces major obstacles, including longstanding political and ideological rivalries and disagreement over the role of US military power in the Middle East. If the Soviet and radical threats became more menacing, however, neutral and pro-Western countries might make common cause. In the absence of Arab cooperation, Israel probably will cite the growing importance of the Red Sea shipping lanes to the West to strengthen its argument for broader US-Israeli strategic cooperation in the region.

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A Red Sea Security System: Political, Military, and Economic Issues

Military Factors

The Red Sea is critical to Western efforts to stop Soviet expansionism in southwest Asia and to guard the oil supply routes from the Persian Gulf. The US Navy prefers the Suez Canal to the longer and costlier route around the Cape of Good Hope when sending ships between the North Atlantic-Mediterranean and the Indian Ocean-Persian Gulf. These transits—which have included conventionally powered aircraft carriers—will increase in number as the United States develops facilities in Kenya, Somalia, Oman, and Diego Garcia. The United States and Egypt plan a massive improvement in Ras Banas, a small airstrip and harbor area on Egypt's southern Red Sea coast, to make it suitable for use as a staging area for US forces moving into the Persian Gulf.¹ The collapse of US influence in Ethiopia has dramatically increased the importance of Sudan and Somalia as bases for projecting Western power into the southern Red Sea and northwest Indian Ocean. The United States plans to use air and naval facilities at Berbera, Somalia, to monitor the sea lanes along the southern coast of the Arabian peninsula and the east coast of Africa.

France stations about 4,000 troops and air units at Djibouti at the southern end of the Red Sea on the Strait of Bab-el-Mandeb. Djibouti serves as the home port for the French Indian Ocean fleet of 14 warships, the second largest Western naval force in the Indian Ocean.

Economic Factors

The Red Sea is becoming an increasingly important transit route for oil. Both Saudi Arabia and Iraq look to the Red Sea to provide a secure alternative route for oil exports from the Persian Gulf. The new Trans-Peninsula Saudi pipeline terminating at the port of Yanbu supplies 1.1 million barrels per day, and this will soon increase to the pipeline's capacity of 1.85 million barrels per day. Riyadh plans to double the capacity by the mid-1980s. Moreover, the Saudis have

agreed with Iraq to finance construction of a pipeline with a capacity of from 1.6 to 1.9 million barrels per day to carry crude oil from Iraq's southern oilfields to a terminal near Yanbu. This pipeline could be in operation by 1986. If the second Saudi line and the Iraqi line are completed, Red Sea terminals could furnish close to 5.5 million barrels per day of oil by the mid-1980s; at present about 12 million barrels per day move through the Persian Gulf and the Strait of Hormuz. Riyadh plans a 1.5-billion-barrel oil storage facility on the Red Sea near Yanbu, although costs and technical considerations will delay completion until about 1990. Saudi Arabia is also building a petrochemical complex at Yanbu, which will make that port a major product export center.

The Red Sea basin also furnishes oil of its own. Egypt's most important oilfields are near the upper Red Sea in the Gulf of Suez, and oil exploration is under way along the Red Sea coast of Egypt and Sudan.

As a result, the Gulf of Suez and the Suez Canal are regaining the strategic importance they held before the closing of the Canal in 1967 and the near-simultaneous appearance of supertankers which made economical the shipment of Persian Gulf oil around the Cape of Good Hope. Present oil shipments through the Canal are about 700,000 barrels per day. Shipments through the Suez-Mediterranean (Sumed) pipeline—which crosses Egypt from the Gulf of Suez to the Mediterranean coast near Alexandria and is jointly owned by Egypt and several major oil-producing countries—are at the pipeline's capacity of 1.6 million barrels per day. Egypt has enlarged the Canal to permit transit by larger oil tankers, and there is discussion of further expanding the Canal as well as increasing the capacity of the Sumed pipeline. Cairo's revenues from the Canal—an estimated \$1 billion this year, about one-tenth of foreign earnings—will grow steadily; Sumed pipeline earnings—an estimated \$75 million this year—can also be expected to rise as more oil is moved through the Red Sea.

¹ See foldout map at end of report.

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A Red Sea Security System: Political, Military, and Economic Issues (U)

An Intelligence Assessment

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December 1987

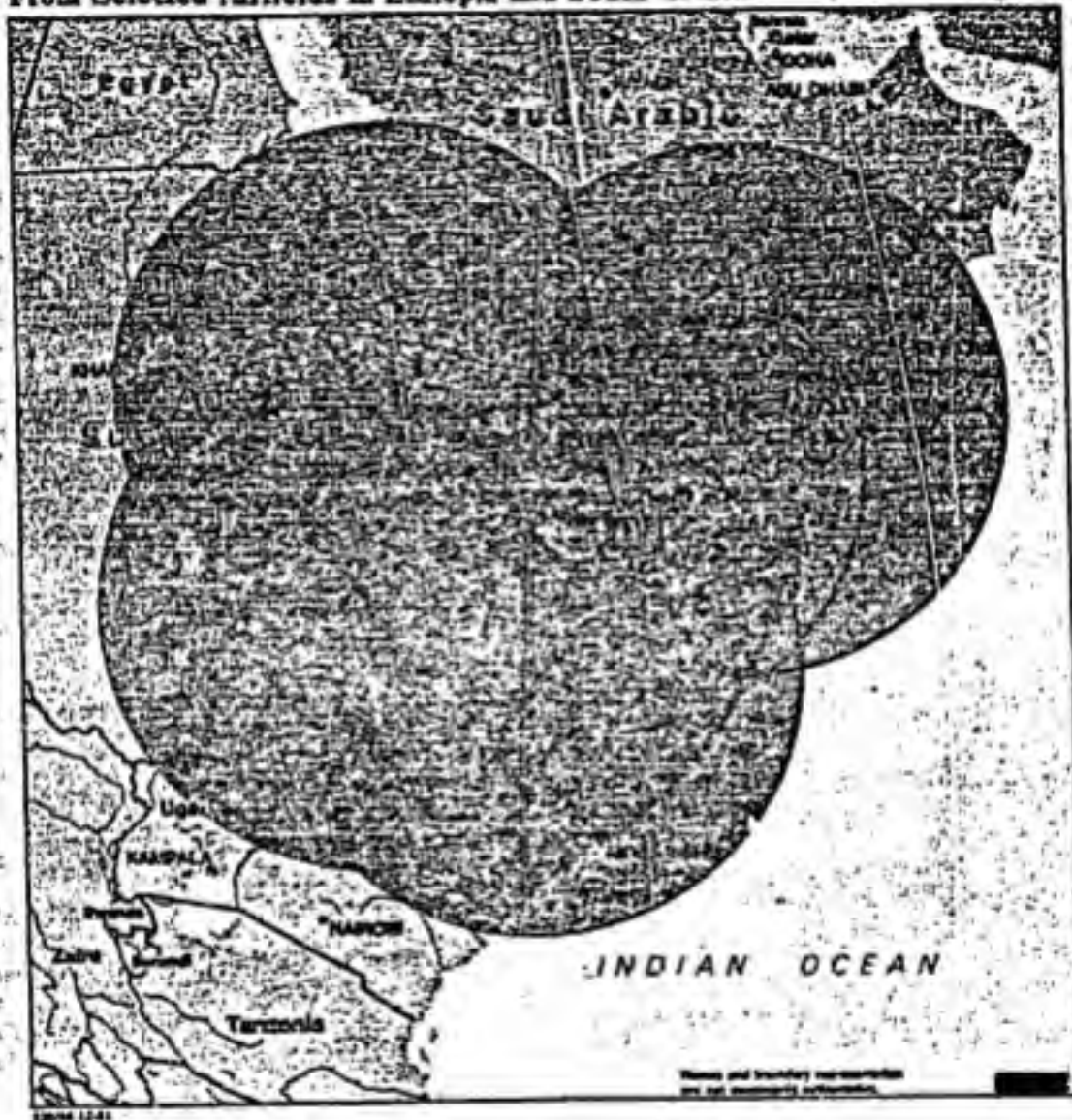
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**Soviet Tactical Air Coverage
From Selected Airfields in Ethiopia and South Yemen**

Figure 1



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Military Advantages of Regional Cooperation

Regional cooperation would offer important military benefits to each country, particularly Egypt and Saudi Arabia. All of the Arab countries involved wish to limit Soviet and radical activity. At the same time, separate military problems make the Red Sea only a secondary consideration for each of them.

With its major forces deployed to stop a potential Israeli attack across the Sinai and a potential Libyan thrust from the west, Egypt has little available to guard Red Sea routes. Cairo has no plans for a strong naval presence in the Red Sea. Moreover, it lacks the capability to project or resupply forces over long distances. Egypt would respond to Libyan adventurism abroad—such as an invasion of Sudan—mainly by threatening a direct attack across the Egyptian-Libyan border rather than by confronting Libya in a third country.

Although to date Saudi Arabia has concentrated on guarding its eastern borders—through measures such as formation of the Gulf Cooperation Council and purchase of the US AWACS—it has indicated a concern about its western seacoast by beginning construction of naval stations and ship repair facilities at Jiddah on the Red Sea as well as at Jubayl on the Gulf. Saudi oil revenues could help Egypt develop sufficient forces to protect the Red Sea. The Saudis presumably see the potential military advantages in cooperating with Egypt in naval training and patrolling, with Egypt concentrating on the northern half of the Red Sea and Saudi Arabia—from its base at Jiddah—concentrating on the southern half.

Saudi Arabia could also strengthen air defense of the southern Red Sea by shifting AWACS coverage from the northeast approaches to the country to the southwest approaches. Such a redeployment would be supported by Oman, which has long argued that Soviet-backed South Yemen is the most serious threat to the security of the Arabian peninsula. Any such shift would depend on the course of the Iran-Iraq war

¹ Longstanding Egyptian contingency plans call, however, for Cairo to respond to a Libyan attack on Sudan by sending to Khartoum two brigades of commandos and a squadron of MIG fighters.

and on Saudi judgments of their future relations with Iraq—as well as on discussions with the United States, whose personnel will remain on the AWACS.

The military and financial strains of the war with Iran mean that for the foreseeable future Iraq is unlikely to contribute support for Red Sea security.

Obstacles to Regional Arab Cooperation

Two major political obstacles would make it difficult to translate common security concerns into effective regional cooperation unless Soviet and radical activity appeared more threatening than at present.

Saudi Arabia and Iraq are traditional rivals for influence in the northern Persian Gulf. Riyadh took advantage of the Iran-Iraq war to establish the Gulf Cooperation Council, which excludes both Iran and Iraq. While the Saudis welcome Iraq's increased economic ties with Riyadh and other moderate states, they are still uncertain about their long-term relations with Baghdad.

Security cooperation could also be undercut by differences over the proper US military role in the region and the related issue of the Arab-Israeli conflict. Egypt—backed by Sudan—supports a US-sponsored strategic consensus to limit Soviet influence. Both countries favor a high level of US military aid and

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participate in joint military exercises with the United States such as Bright Star 82. Cairo allows the United States to preposition equipment in Egypt and has pushed for substantial US assistance in developing a large military and communications facility at the Red Sea port of Ras Runas. In effect, Egypt and Sudan argue that pro-Western countries need a US military presence to counter the presence of Soviet and Soviet Bloc military advisers in South Yemen, Libya, and Ethiopia. Moreover, Cairo and Khartoum defend the Camp David Accords, which help both countries cement their relationship with the United States and which guarantee the return of the Sinai to Egypt.

Yemen or Ethiopia; a seizure of power by pro-Soviet groups in Djibouti or North Yemen that threatened radical control of the Strait of Bab-el-Mandeb and perhaps of the southern Red Sea; or an ouster of Nimeiri and a turn to the left in Sudan.

Such developments could drive home to Riyadh, Amman, and Baghdad their increasing stake in Red Sea security and overshadow—at least for a time—longstanding Arab rivalries. A dramatic change in the present regional balance of forces could lead Egypt and Saudi Arabia to recall that they overcame earlier antagonisms during the period between the war with Israel in 1973 and the Camp David Accords in 1978. Iraq has moved far enough from its dogmatically radical stance of the 1960s and early 1970s that cooperation with Saudi Arabia and even with Egypt against a common military threat seems plausible. Baghdad has displayed its pragmatism by refraining from criticizing growing Omani military ties with the United States because Oman has supported Iraq on several issues during the Iran-Iraq war.

Jordan fears an attack from what it considers an increasingly aggressive Israel as much as it fears a conflict with Soviet-armed Syria or turmoil in the southern Red Sea basin. Amman's recent purchase of air defense equipment from the USSR was designed to introduce some balance into its arms supply relationship with the United States—both to avoid criticism from radical Arab states and to avoid the restrictions that the United States has placed on deployment of weapons sold to Jordan.

A small-scale regional precedent for cooperation among political rivals is the Gulf Cooperation Council. In that case, the threat of the Iran-Iraq war and a series of Soviet advances in the region brought together countries that differed as widely on foreign policy as Oman and Kuwait and lessened—even if it did not remove—the concern of the smaller Gulf countries about potential Saudi dominance.

Iraq opposes a Western military presence in the region because it aims at a leadership role in the Gulf, the Arab world, and the Nonaligned Movement. Riyadh, Amman, and Baghdad all charge that the Camp David Accords cannot produce a comprehensive Arab-Israeli peace settlement; all three countries criticize Egypt for not pushing Israel hard enough on West Bank and Gaza autonomy.

Saudi Arabia, Jordan, and even Iraq might cooperate with Egypt and Sudan if Soviet and radical activities threatened their national interests directly. Such actions might include a major buildup of Soviet military forces to crush a rebellion in South Yemen or Ethiopia or to threaten or coerce states close to South


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Soviet Policy Toward the Middle East

A Research Paper

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Soviet Policy Toward the Middle East

A Research Paper

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Soviet Policy Toward the Middle East

Summary

*Information available
as of 5 December 1988
was used in this report.*

By 1970 the Soviets had good reason to be happy with their accomplishments in the Middle East during the decade and a half since their first inroads with the Arabs. They had developed strong relationships with Nasser's Egypt—the most important Arab country—and with Syria, Iraq, and Algeria. Moscow had also steadily improved its relations with the non-Arab “northern tier” countries of Afghanistan, Iran, and Turkey.

Since then, however, Soviet fortunes in the region have been mixed. The USSR's position has become far stronger in the northern tier, with the United States out of Iran and the Soviets controlling the destiny of Afghanistan. But in the Arab-Israeli theater, the Soviets' position is markedly inferior to that of the United States, because they have failed to make themselves a factor in a solution of the Arab-Israeli conflict or to appeal to the Arabs ideologically or economically.

Thus far in the 1980s, the Soviets have not made significant progress in capitalizing on the gains they made in the northern tier in the late 1970s or in compensating for the setbacks they suffered in the Arab world earlier in the 1970s. They have been unable to replace US influence in Iran with their own or consolidate Marxist rule in Afghanistan despite seven years of military occupation. Their increased presence in Syria, Libya, and South Yemen has not balanced the USSR's loss of influence in Egypt.

General Secretary Gorbachev has yet to make any major innovations in Soviet policy toward the region—save perhaps beginning a tentative dialogue with Israel. But he has demonstrated through his military support for Moscow's Arab and Afghan clients, his frequent meetings with Middle Eastern leaders, and the numerous envoys he has dispatched to the area that the Kremlin intends to be more assertive in promoting Soviet interests. The USSR's primary policy goals in the Middle East during the rest of the 1980s are likely to be:

- Consolidating control in Afghanistan.
- Blocking any US-sponsored Arab-Israeli peace settlement that leaves Moscow out and, optimally, regaining a voice in the peace process.
- Unifying the Arabs into a pro-Soviet front by ending the isolation of the Kremlin's Arab clients: Syria, Libya, and South Yemen.
- Stemming the drift of Algeria and Iraq toward lesser dependence on the Soviet Union and closer ties to the United States.
- Expanding influence in Moscow's key regional targets: Egypt and Iran.
- Eroding Turkey's security ties to the United States.

Gorbachev's best chances for success seem to be in preventing a US-sponsored Arab-Israeli settlement, in a modest expansion of Soviet influence in Egypt and Iran, and—possibly—in consolidating control in Afghanistan:

- Regaining a major voice in the Arab-Israeli peace process—a primary Soviet goal in the region since 1973—would greatly enhance the USSR's ability to be a major actor in the Middle East. In particular, it would enable the Soviets to block any US-sponsored settlement they believed harmful to their interests. We believe that Soviet concern about the Syrian reaction has prevented Moscow from taking the one step—reestablishment of relations with Israel—that would be most likely to overcome US and Israeli opposition to Soviet participation in the peace process. It appears, however, that Gorbachev is thinking seriously about correcting the blunder the Soviets privately acknowledge they made by breaking relations in 1967. He is likely to move very gradually to give the Arabs time to get used to the idea of better Soviet-Israeli ties before reestablishing full diplomatic relations.
- The USSR faces formidable obstacles in increasing its influence in Egypt and Iran. Soviet officials acknowledge there will be no return to the late 1960s' heyday of the Soviet-Egyptian relationship. Barring major internal unrest in Egypt, the best the Kremlin probably can hope for during the next few years is a marginal improvement in bilateral ties and a growing Egyptian disenchantment with the United States. In Iran, the Soviets seem convinced there can be no significant improvement in relations as long as Ayatollah Khomeini remains in power. This will not preclude an expansion of economic ties, however, and Moscow is certain to attempt to exploit Iranian weakness or domestic turmoil in the post-Khomeini era, which cannot be far off.
- Gorbachev appears determined to stanch what he has described publicly as the "running sore" of Afghanistan. His moves thus far have included a more aggressive pursuit of the rebels, increased military pressure on Pakistan, improved training of the Afghan military, replacement of the Afghan leader, and a diplomatic/propaganda campaign to portray the USSR as flexible about withdrawing. It is too early to tell whether this strategy eventually will allow Moscow to withdraw its forces without undermining the regime in Kabul, but it will take an adroit and

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determined effort to carry it off. The odds are still high that, barring a collapse of Pakistani will, the Soviets will not yet have consolidated Marxist rule in Afghanistan as the 1990s arrive.

The Soviets are likely to continue their efforts to remedy their overdependence on Syria in the Arab world by courting moderate Arab regimes. Moscow could become more willing to buck Damascus' interests if Egypt, other Arab moderates, or Israel make concessions to the USSR that they have avoided thus far, or if a successor regime in Syria proves less stable or more friendly to the West than President Assad's. Even so, Syria would be likely to remain the Soviet Union's most important ally in the Middle East, prompting Moscow to tailor its moves to avoid serious damage to bilateral relations.

Soviet influence in Iraq and Algeria probably will continue to erode—despite Moscow's importance as an arms supplier—as Baghdad and Algiers pursue more moderate foreign policies and more Western-oriented economic policies. These trends appear to be strategic shifts rather than tactical adjustments, and the USSR, in our view, does not have enough to offer economically to reverse them.

Finally, the long-term nature of Turkey's internal problems, the rivalry between Turkey and Greece, and Ankara's doubts about the intensity of US commitments to Turkey promise to continue to provide the Soviets openings to exploit Turkey's weaknesses and to attempt to woo it away from NATO. Nevertheless, Ankara, despite its frictions with Washington, is extremely wary of its northern neighbor and is likely to remain closely linked to the United States, barring an unforeseen breakdown in internal order.

Despite the obstacles it faces, the Soviet Union is certain to be a major actor in the Middle East for years to come. The Soviets regard the Middle East as the most important region of the Third World because of its proximity to the USSR, its vast reserves of oil and gas, and its economic and geostrategic significance to the West and Japan. The Middle East is the Soviet Union's most volatile borderland, and its explosiveness poses dangers because of the high stakes for the USSR and the United States in the region and the possibility that uncontrolled events could lead to a military confrontation between the two. At the same time, this volatility offers opportunities for expansion of Soviet influence that are not present on the USSR's other borders.

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Moscow attaches considerable importance to becoming a coequal of Washington in the Middle East, as the statements of Soviet leaders attest. This competition with the United States is a major determinant of Soviet policy toward the region. Soviet writings and remarks of Soviet officials make it clear that Moscow regards the increased US military presence in the Middle East since the late 1970s as a major security concern and will devote considerable effort to counter it.

This superpower competition and the Soviet leaders' Marxist-Leninist "strategic view" are common denominators that bring a degree of unity to Moscow's policies toward the Middle East. Moreover, the USSR's position on some major regional issues—such as the Arab-Israeli conflict—affects its policies throughout the Middle East. Beyond these unifying factors, however, we believe the Kremlin does not have a "grand strategy" for the Middle East as a whole. Rather it has related but distinct policies toward the widely divergent regions and issues of the Middle East. These policies reflect specific Soviet equities and interests in each region and on each issue, as well as local conditions.

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Soviet Policy Toward the Middle East

Introduction

Expressing a view that we share, a Soviet specialist on US policy toward the Middle East commented [] in October 1985 that:

Moscow's role in the Middle East has been much smaller than it could be, given the Soviet Union's interests in the region, its superpower status, and the Middle East's location on the USSR's southern borders.

This paper explores why this has been the case and assesses the prospects for the USSR playing a more prominent role in the Middle East under General Secretary Gorbachev. Thus, the paper looks at the degree of influence the Soviets wield in different countries. Where have they developed strong influence in the country's military, ruling party, and economic sector? What influence do they have in the country's leadership decisionmaking, especially on questions of foreign policy? How do the Soviets rate the relative importance of the different countries in the region? In which countries do they consider a military presence vital to the projection of Soviet force in the Middle East? In which countries might they consider intervening militarily to protect their investment against internal threat, external invasion, or to expand Soviet influence into a new area?

The paper also examines possible new directions in Soviet Middle Eastern policy during the rest of the 1980s. It pays particular attention to the Soviet view of US influence and intentions in the region—one of the most important factors affecting the Kremlin's formulation of policy toward the Middle East. It concludes with a look at some developments that could have a major impact on Soviet and US interests in the region.

The Middle East as Seen From Moscow

Soviet interests in the Middle East stem first of all from its proximity to the USSR (see foldout map figure 9 at back). As Soviet officials have stressed [], Moscow considers the Middle East to be a Soviet borderland comparable to Latin America for the United States. One Soviet official told a [] the USSR considers the Mediterranean area to be as strategically important to the Soviet Union as the Caribbean area is to the United States. The Soviets repeatedly have made public declarations of their vital interests in the Middle East since 1955, when a Foreign Ministry statement contended that US attempts to establish military blocs and bases in the "Near and Middle East have a direct relation to the security of the USSR . . . [which is] located in direct proximity" to the region. In arguing that the entire Middle East is their borderland, the Soviets capitalize on the ambiguities of the geographic scope of the region and its different connotations in Soviet and Western usage (see inset).

Other factors that make the Middle East important to the USSR include:

- **Energy.** The region's vast deposits of oil and natural gas make it vital to the functioning of the economies of many Western and Third World countries. The USSR itself is self-sufficient in oil and natural gas but frequently has considered it cost effective to purchase these commodities in the Middle East or, in the case of oil, to accept it as payment for arms.¹ Soviet domestic oil production peaked in 1983.

¹ The Soviets resell most of this oil.

"Middle" or "Near"?

The Soviets divide the Middle East into three regions. They define the "Middle East" as Turkey, Iran, and Afghanistan—the three countries of the area that border the USSR. They classify the countries of the Levant (Syria, Lebanon, Jordan, and Israel) and the Arabian Peninsula, along with Iraq, Egypt, and Sudan under the "Near East," and the rest of the countries of North Africa west of Egypt under the term "North Africa." Correspondingly, coverage of the region in the Soviet Foreign Ministry is broken down into one department for the "Middle East," and another for the "Near East" and "North Africa." This paper examines Soviet policy in all three areas and, for sake of clarity, defines the entire region as the Middle East (see foldout map figure 11 at the back.)

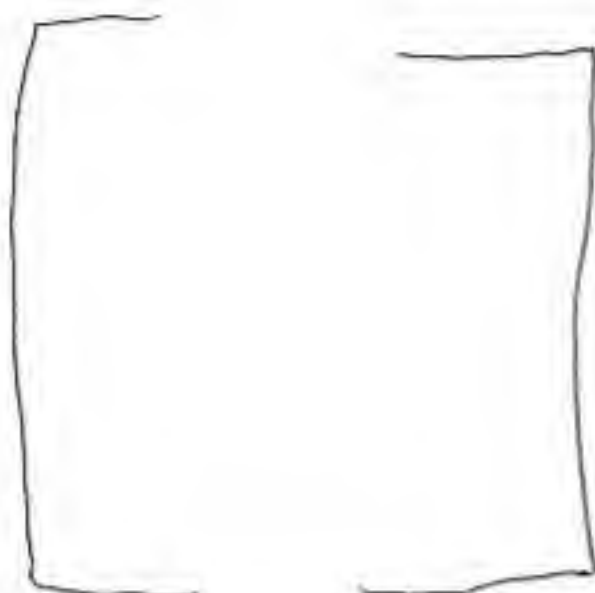
Although the downward trend was halted in 1986, the questionable prospects for a sustained rebound in output suggest that the Soviet Union will increase its purchases of Middle Eastern oil in the next few years.

- **Hard currency.** Despite the relative insignificance of the Middle East in overall Soviet trade (about 5 percent of dollar value), arms sales to the countries in the region have been a major hard currency earner. Since 1955 the Soviets have signed arms deals worth approximately \$67 billion with Middle Eastern states—about 70 percent of total Soviet arms sales to the non-Communist Third World.

Earnings from these sales (in hard currency or its equivalent) have averaged about \$5 billion annually during recent years, or 15 to 20 percent of total Soviet hard currency earnings. These earnings have declined steadily, however, from the peak year of 1981 both in dollar terms and as a percentage of Soviet arms deliveries to Third World countries (see table 1).

- **Islam.** Beside the natural concerns any country has with a neighboring region, the USSR has the added concern that the Middle East contains many of the same religious and ethnic groups found within its

own borders (see figure 2). The approximately 45 million members of Islamic ethnic groups in the Soviet Union (roughly 16 percent of the total Soviet population) by and large have not been a security threat to the Communist regime since it subdued the Central Asian Basmachis rebels in the 1920s. Since the late 1970s, however, signs of increasing religious awareness among Soviet Muslims, coupled with the upsurge in Islamic fundamentalism in Iran, have prompted Soviet leaders to pay closer attention to the "Islamic factor" and to increase anti-Islamic propaganda. Just how seriously Soviet leaders regard the threat of "contamination" of



their Muslim population is unclear. A senior Soviet official

that concern over the impact that Islamic fundamentalism in Afghanistan and the Middle East as a whole could have on Soviet Muslims played a role in the Kremlin's decision to intervene. At any rate, it seems safe to conclude that the primarily Slavic leaders in the Kremlin view this issue with some concern. It gives a foreign policy question a domestic security angle and decisions about the treatment of a domestic minority implications for Soviet relations with Muslim countries.

- **Western and Japanese involvement.** Beyond its intrinsic value, the Middle East takes on added significance for the USSR because of the longstanding interest the Western powers and Japan have had in the region. The West European colonial powers dominated the Middle East until World War II, and the United States has been the predominant outside power since. Turkey represents NATO's southeastern flank, and the Levant and North Africa lie opposite NATO's entire southern flank. The West and Japan are vitally interested in the Middle East because of its vast reserves of oil and natural gas and its geostrategic location at the confluence of Asia, Africa, and Europe. The Western military presence—mainly US—is a primary concern to Moscow.

Table 1
Soviet Arms Deliveries to Middle Eastern Countries

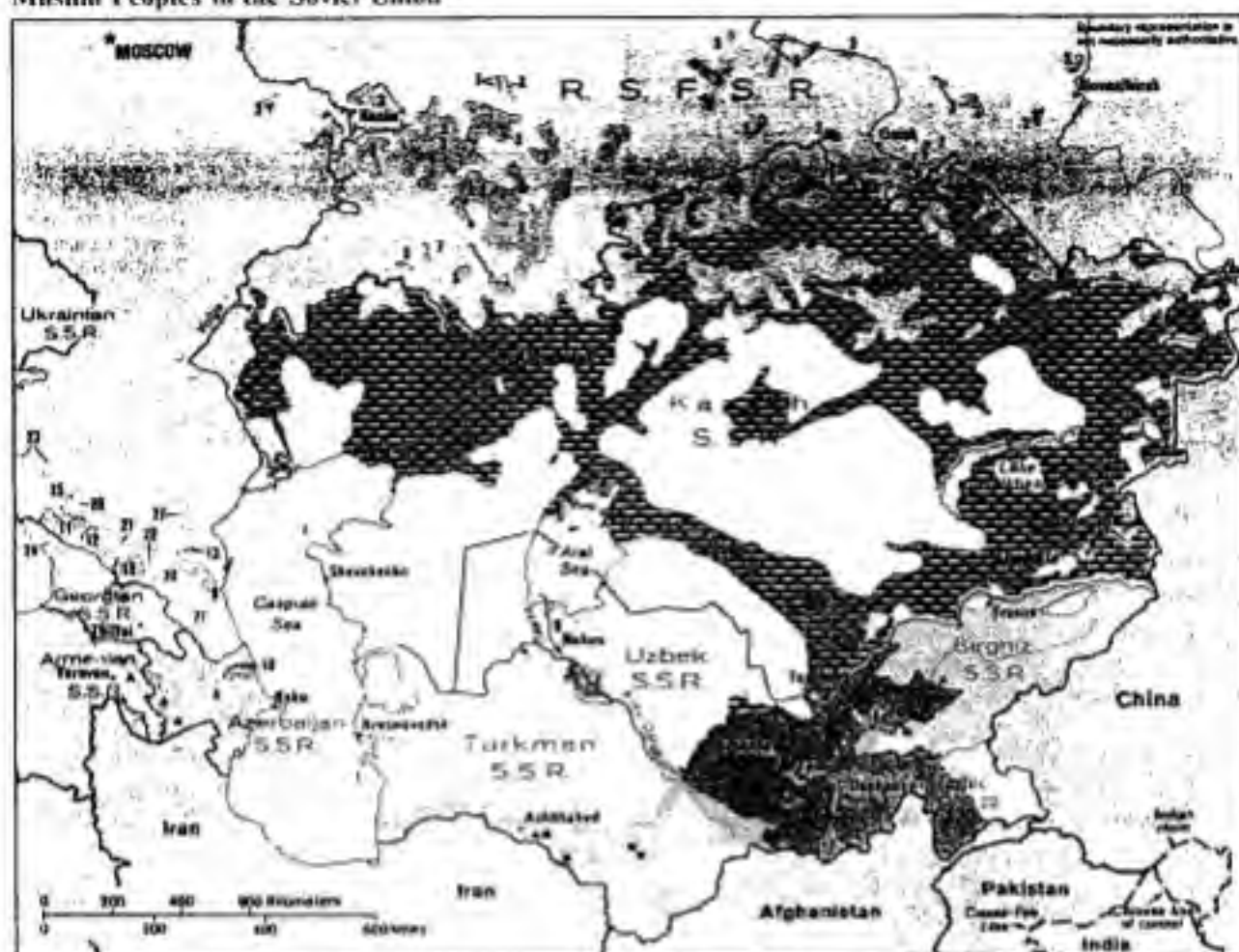
	Value (billion US \$)	As percentage of Soviet Arms Deliveries to the Non-Communist Third World
1978	4.3	67
1979	7.1	80
1980	5.8	70
1981	6.1	75
1982	6.6	74
1983	5.3	68
1984	4.6	61
1985	3.3	57
1986	1.4*	

* Through August.

For all these reasons, we believe the Soviets regard the Middle East as the most important region in the Third World. Yet, in the context of overall Soviet foreign policy, the Middle East takes a backseat to control over Eastern Europe, the strategic competition with the United States, the relationship with China, and relations with Western Europe.

The potential security threat to the Soviet homeland from the Middle East pales in comparison with those faced from the USSR's Central European and Far Eastern border regions. The overwhelming bulk of the Soviets' conventional forces and all of their intermediate-range nuclear missiles are stationed in these areas. The Middle East, however, is the USSR's most volatile borderland. The region's explosiveness poses potential dangers to the Soviets because the high stakes both the USSR and the United States have in the area mean that uncontrolled events could precipitate a military confrontation between the two superpowers. At the same time, the Middle East's volatility offers potential opportunities for rapid expansion of Soviet influence that are not present on the USSR's other borders.

Figure 2
Muslim Peoples in the Soviet Union



Turkic Peoples

	1976 Population (in thousands)
1. Uzbeks	12,456
2. Kazakhs	6,556
3. Tatars	6,317
4. Azerbaijanis	5,477
5. Turkmens	2,028
6. Kirghiz	1,906
7. Bashkirs	1,371
8. Karakalpakhs	303
9. Kumyks	228
10. Uighurs	211
11. Karachays	131
12. Balkars	66
13. Nogays	60

Iranian Peoples

	1976 Population (in thousands)
14. Tajiks	2,898
15. Ossetians	542
16. Kurds	116
17. Iranians	31
18. Tats	21
19. Baluch	19

Peoples of the Caucasus

	1976 Population (in thousands)
20. Chechens	756
21. Kabardians	397
22. Ingush	188
23. Adygheys	109
24. Abkhaz	91
25. Chekess	48
26. Abasins	29
27. Dagestan peoples:	
Avars	483
Lezgins	383
Dargins	287
Laks	100
Tabasarans	75
Rutuls	15
Tsakhurs	14
Aguls	12

□ Non-Muslim people

Sparsely populated or uninhabited areas are shown in white

The Ideological Dimension

The Middle East has not proved to be fertile ground for the export of Marxism-Leninism. Only in South Yemen and Afghanistan have Marxist regimes emerged, and even in those countries ideological roots do not run deep. The Communist parties in most of the other countries of the region have been largely irrelevant. The Soviets continue to support Communist parties and leftist movements in the region and undoubtedly seek the establishment of additional Marxist regimes. They have consistently shown, however, that they are willing to tolerate the suppression of the left if a Middle Eastern regime adopts a pro-Soviet foreign policy

A Key Factor: Competition With Washington

A leading Soviet expert on the United States told a Kuwaiti newspaper in December 1984:

When Kissinger was dealing with the Middle East, he did not consider Israel, Egypt, or Saudi Arabia, but he considered only the United States and the Soviet Union. This is the view of the current US Administration.

We believe this bipolar perspective also has long been the view of the leaders in the Kremlin. The Soviets' desire to erode US influence and replace it with their own has played a major role in most moves they have made in the Middle East since the decline of British influence in the region following World War II.

For decades the Soviets have expressed open resentment and ridicule of Washington's claims that the United States has vital interests in the Middle East. The Soviet Foreign Ministry statement of 1955 asserting that the Middle East was vital to Soviet security because of the USSR's proximity went on to state that the same could not be said "about the USA,

located thousands of kilometers from this region." A quarter of a century later, then Foreign Minister Gromyko stated during a speech two months after the Carter Doctrine was pronounced that US foreign policy circles

... are stressing more and more often and with greater importunity the "vital interests" of the USA. It is asserted that in the Persian Gulf and, for that matter, anywhere where there are sources of oil are areas where US "vital interests" are involved. . . . It is said that the same "vital interests" are present in the Middle East. In all parts of Asia—south of our borders—it is the same thing.

Gorbachev made a similar remark in October 1985 in the joint press conference he held with French President Mitterrand during their meetings in Paris.

Despite this resentment, Soviet leaders clearly recognize that the United States is, indeed, vitally interested in the Middle East. Soviet commentaries note the importance US presidents have attached to the region dating from the Truman Doctrine of the 1940s, through the Eisenhower Doctrine of the 1950s, and the Carter and Reagan Doctrines of the 1980s. One scholarly Soviet study of US Middle Eastern policy in the 1970s highlights President Nixon's statement to Congress in May 1973 that "no other crisis region of the world has greater importance or priority for the USA than the Middle East."

The Soviets attach vital importance to the increased US military presence in the Middle East that began in the late 1970s. Ignoring US concerns over the Soviet invasion of Afghanistan and possible Soviet exploitation of turmoil in post-Shah Iran, Moscow has portrayed all the recent deployments of US forces to the Middle East as "bridgeheads" for the future use of US military power in regional states and against the USSR itself. Soviet propaganda, for example, depicts the battalion of the US 82nd Airborne Division that participates in the Multinational Force of Observers monitoring the Egyptian-Israeli border in the Sinai as

a "shock unit of the US 'Rapid Deployment Force' " (RDF). A 1983 Soviet study of US policy in the Third World claims that the Reagan administration's goal is

the establishment of US military control over the resources of the Near and Middle East; the creation of a hotbed of tension close to the Soviet border; the imposition of constant pressure on the USSR from the south.

Despite the self-serving exaggeration of such rhetoric, the Soviets have apparently regarded Washington's actions as a serious challenge to their position in the region. Lebanon is a case in point. Brezhnev stated publicly just prior to the formal US announcement that a contingent of Marines would be deployed to Beirut in the aftermath of the Israeli invasion of 1982 that the Soviet Union was "categorically opposed" to such a move, which, if it occurred, would force the USSR "to build its policy taking this fact into account." The Soviet decision to deploy SA-3 surface-to-air-missile (SAM) units to Syria was taken shortly after Brezhnev's warning. The Kremlin probably would have sent the SA-3s even without the US military deployment given the damaged state of Syria's defenses and Soviet-Syrian relations, but the Marine deployment may have erased any doubts the Soviets had about the necessity of such a move.

The creation of the RDF and later the US Central Command (CENTCOM) appears to be a particularly worrisome development for Moscow.

[Soviet

media continually focus on CENTCOM's activities in the Middle East, particularly on its alleged creation of bridgeheads for future military action against regional countries—including the USSR

In addition to the US forces in this region, the Soviets also have to consider the military potential of US allies France, Great Britain, and Italy, not to mention Turkey. The Soviets realize, however, that the United



A US B-32 bomber drops bombs in Egyptian desert during last day of joint US-Egyptian "Bright Star" exercise.

States and the West Europeans do not always agree on Middle Eastern matters, thus reducing the usefulness to Washington of the West European forces in the region. Moreover, Moscow's own East European and Cuban allies have numerous military, security, and economic advisers in Middle Eastern countries who complement the USSR's presence and give the Kremlin another lever with which to influence regional governments, insurgents, and terrorist groups. Unlike Washington's allies, though, none of these Soviet allies—with the possible exception of Cuba—is capable of force projection in the Middle East.

Overview of Soviet Fortunes in the Middle East Since 1970

To evaluate the Soviets' current position in the Middle East, their past record in the region should be examined, especially during the period since the

height of Soviet influence in 1970.¹ The Soviet successes in the late 1960s in Egypt, Syria, and Iraq, coupled with the steady improvement in relations with the northern tier countries, gave Moscow the strongest position it has ever enjoyed in the Middle East. The comment of one Western scholar that the USSR's status in the region at the start of the 1970s "can only be regarded as a singular triumph from the perspective of the past" is representative of the generally held view in the West at that time.

1970-78

Nasser's death in September 1970 marked the beginning of the decline of Soviet influence in Egypt and in the Arab world in general. His successor, Anwar Sadat, did not share his view of the importance of Soviet support for Egypt and resented Moscow's intrusive presence in the country. Sadat—at first tentatively, then decisively—moved to reduce Soviet influence. His first step in May 1971 was to remove the pro-Soviet faction headed by Ali Sabry, who sought to replace Sadat.

Two months after Sabry's removal, the Soviets suffered another blow, this time in Sudan. The Sudanese Communist Party—then the largest and most influential in the Middle East—backed a military coup against President Nimeiri and subsequently was decimated after he managed, with Sadat's help, to restore control. Soviet influence in Sudan declined precipitately.

¹ For background on Russian/Soviet involvement in the Middle East prior to 1970, see appendix 2.

² Aaron S. Kleiman, *Soviet Relations with the Middle East: Studies in International Affairs 74* (J. F. Hishman, ed., The Johns Hopkins Press, 1970), p. 11.

Over the next few years, Sadat made a decisive break with Moscow and threw Egypt's lot in with the United States. He sent most of the Soviet military personnel stationed in Egypt home in July 1972 and deprived the Soviets of the use of Egyptian air bases and most naval facilities.³ Although Soviet weapons enabled Egypt to score early gains in the October 1973 Arab-Israeli war, Sadat turned to Washington at the end of the fighting to obtain a settlement with Israel. Soviet-Egyptian relations steadily deteriorated as the United States brokered Egyptian-Israeli disengagement agreements in 1974 and 1975. The process culminated in Sadat's abrogation of the Soviet-Egyptian friendship and cooperation treaty in 1976 and his decision a year later to seek a separate peace with Israel using the United States as a middleman. Within a short span, the Soviets saw their premier relationship in the Middle East—one that had taken 15 years and extensive military and economic aid to build—crumble and Washington pick up the pieces, and they were unable to do anything to prevent it.

The loss of Egypt forced the Soviets to shift their support to the more radical Arabs, who also opposed Sadat's willingness to negotiate unilaterally with Israel. Syria and the PLO became the USSR's primary clients in the region beginning in the mid-1970s. Moscow also developed closer ties to Libya and

³ Sadat announced that all Soviet use of Egyptian naval facilities in 1971.

Bilateral trade soared, and the two signed an accord on "Good Neighborly and Friendly Cooperation" in 1978.

1979-86

Since 1979 the Soviets have improved their position in the northern tier and benefited from US setbacks in the Middle East as a whole. Moscow's position in the Arab-Israeli arena, however, has not markedly improved.

The USSR received a strategic windfall in the northern tier in 1979 with the demise of the Shah and the loss of US influence in Iran. An article in the Soviet scholarly journal *Narody Azii i Afriki* in 1979 stated that:

As a result of the Iranian Revolution, a change has taken place in the balance of power in the Near and Middle East. The liquidation of the pro-Western . . . regime of the Shah and the collapse of the military-political bloc, CENTO, has weakened the economic and strategic position of the West, and especially that of the United States, in the region and in the entire world.

Instead of an Iran that acted as a US "gendarme" in the region

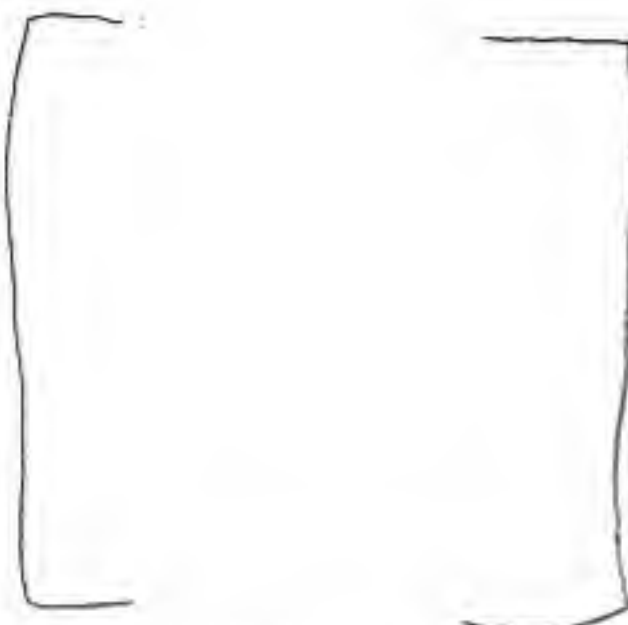
the Soviets now had a neighbor that was viscerally opposed to the United States. Moscow, however, was able to make little headway of its own in Tehran during the first three years of Ayatollah Khomeini's rule. By the spring of 1982, the Soviets—evidently concluding that as long as Khomeini was in power their prospects for increasing influence in Tehran would remain poor—abandoned attempts to court the regime and tilted toward Iraq in its war with Iran. Since then, relations have remained frigid.

The invasion of Afghanistan in December 1979 put Soviet forces in control of Kabul for the first time. The Afghan resistance, however, grew even stronger

Algeria, while South Yemen became the first Arab country to be ruled by a Marxist regime when 'Abd al-Fattah Isma'il seized power in 1978. Although Iraq was a major Soviet arms client and signed a friendship and cooperation treaty with the USSR, by 1978 it had begun buying arms from the West and cracking down on the Iraqi Communist Party.

The Soviets were unable to duplicate elsewhere in the Middle East the naval and air facilities they lost in Egypt (and in Somalia in 1977). Through wider use of port facilities in Syria, South Yemen, and other countries and greater dependence on replenishment at sea, however, they continued to maintain sizable naval contingents in the Mediterranean and the Indian Ocean.

The Afghan Marxists' seizure of power in 1978 was a breakthrough for Moscow in the northern tier. Soviet involvement in Afghanistan, already extensive, grew markedly under the Taraki regime. The Marxist takeover in Kabul, however, strained Soviet ties to the Shah of Iran. The cordial relations they had developed in the 1960s and early 1970s had already begun to sour as a result of Iran's expanding military ties to the United States and more assertive regional policy, which often clashed with Soviet interests. With Turkey, on the other hand, the Soviets managed to continue and even broaden the detente of the 1960s.



after the invasion and prevented the Soviets from consolidating control, much less capitalizing throughout the region on their military presence. The invasion, in fact, made most Middle Eastern states even more suspicious of Soviet intentions and, coupled with the Iranian revolution and the outbreak of the war between Iran and Iraq, convinced some Arab countries (as well as Pakistan) to increase military cooperation with the United States.

The Soviets reaped some benefits from the anti-US backlash generated by the 1978 Camp David accords between Egypt and Israel and by Washington's abortive attempt to establish a pro-US central government in Lebanon following Israel's 1982 invasion. The USSR and Syria moved even closer together than they had been prior to the late 1970s. They signed a friendship and cooperation treaty in 1980, and Moscow qualitatively increased its involvement by sending two SA-5 SAM units to Syria in 1987 manned by approximately 2,000 Soviet personnel.

The USSR's other main Arab client, the PLO, underwent a serious decline beginning in 1982 with the Israeli invasion of Lebanon, which was aimed at eradicating PLO influence in that country. The jolt of the PLO's defeat led to a rift within Fatah, the PLO's main faction, and a falling out between PLO leader Arafat and Syrian President Assad. Moscow's failure

to help Arafat during the invasion and its unwillingness to jeopardize its relationship with Damascus by stepping in forcefully to resolve the Arafat-Assad feud strained its relations with the PLO chief. Arafat's setbacks led him to consider a political solution to the Palestinian problem through joint action with Jordan and—potentially—cooperation with the United States, a move that further chilled Soviet-PLO relations. The USSR moved no closer to its goal of being included in Arab-Israeli negotiations on the Palestinian issue but took solace from Washington's inability to convince other Arabs to join the Camp David framework for peace talks with Israel.

Libyan leader Qadhafi's growing fear of US intentions after US Navy jets shot down two Libyan aircraft over the Gulf of Sidra in 1981 prompted him to grant the Soviets wider access to Libyan naval and air facilities. That same year, Muslim fundamentalists in Egypt assassinated the Soviets' most formidable opponent in the Arab world, Anwar Sadat. The death of such an important US ally was a windfall for Moscow, but Egyptian President Mubarak has maintained his country's close links to Washington. Mubarak has avoided Sadat's outspoken anti-Sovietism but moved much more slowly in normalizing relations than the Soviets had hoped. Although ambassadorial ties were resumed in the summer of 1984, there has been no significant improvement in overall relations.

Perhaps one of the USSR's most significant achievements in the Arab world over the last few years has been its improvement in relations with Iraq. Seeing no prospects for gains in Iran and fearing an Iranian victory over Iraq, the Soviets began in 1982 to provide Baghdad with the weaponry it required to pursue the war. Political relations have improved as a result, but the legacy of past disputes has only been put aside, not forgotten. The relationship remains narrowly based on the supply of arms, and the Soviets continue to be worried about Iraq's increasing political, economic, and military contacts with the West—including the United States.

Moscow similarly has been concerned over Algeria's drift Westward since President Bendjedid took over in 1979. The Soviets have tried hard to arrest the drift but with little success. The care and thoroughness with which Bendjedid has shifted Algeria's economy away from the socialist model and its foreign policy from a heavily pro-Soviet "nonaligned" stance suggest that these are strategic rather than tactical moves.

On the Arabian peninsula, the Soviet Union maintained its position in South Yemen despite the ouster of the staunchly pro-Soviet Isma'il in 1980 and the bloody coup against his successor, Hasani, in January 1986. The Soviets also managed to move closer to the regime in North Yemen without reducing their support for the South. Moscow and Sanaa signed a major arms deal in 1979 and a friendship and cooperation treaty in 1984. That positive trend has been jeopardized, however, by the frictions that the most recent coup in Aden has generated in Soviet-North Yemeni relations.

The Soviet invasion of Afghanistan and the war between Iran and Iraq initially prompted most of the conservative Gulf states to increase security cooperation with the United States and shun establishing relations with the USSR. By 1985, however, the effects of these shocks had lessened, and the Gulf states' disenchantment with US support for Israel had increased to the point where Oman and the United Arab Emirates (UAE) established relations with the Soviet Union. The other Gulf states appear to be moving in the same direction, although suspicion of Soviet complicity in Hasani's ouster is likely to slow the process.

Gorbachev's record since assuming power in March 1985 suggests that the United States can expect a more activist and tactically flexible Soviet policy in the Middle East than it has faced since the early 1970s. He has yet to make any major innovations in Soviet policy toward the region—save, perhaps, beginning a tentative dialogue with Israel. But he has demonstrated through his military support for Moscow's Arab and Afghan clients, his frequent meetings with Middle Eastern leaders, and the numerous envoys he has dispatched to the area that the Kremlin intends to be much more assertive in promoting Soviet interests.

The Soviet Balance Sheet Today

The Arab World

The Strategic Prize: Egypt

The Soviets have yet to recover fully in the Arab world from their loss of Egypt. Soviet influence in Syria, Libya, and South Yemen hardly replaces the loss of influence in Egypt, which Moscow openly acknowledges, in the words of one Soviet scholar, as "the key and most important country of the Arab world." The Arabs' chances of winning or even holding their own in a war with Israel without Egyptian participation are slim.

Recognizing Egypt's strategic importance in the Middle East, the Soviets are devoting considerable effort to rebuilding their influence there or, at least, reducing Cairo's dependence on the United States. Since the return of ambassadors in the summer of 1984, the foreign ministers have met at the United Nations [

its moral criticism] Moscow also has toned down [

Egyptian policies.]

[

Obstacles to Closer Relations. Egypt's estimated \$2.5 billion debt for past military purchases from the USSR appears to be the most immediate obstacle hindering an expansion of bilateral ties. The Egyptians have not serviced the debt since 1977, when Sadat unilaterally declared a 10-year moratorium on payments [

the Soviets have made resolution of the debt a precondition for meeting Egyptian requests for expanded trade and military equipment. Moscow, in our view, does not expect to recover the entire debt, but it wants the

Factsheet on Soviet-Egyptian Relations

Soviet Ambassador: Gennadiy Zhuravlev (assumed post in September 1986)

Egyptian Ambassador: Salah Hasan Bassiouni (assumed post in September 1984)

Estimated Number of Soviet Personnel in Egypt (excluding dependents)

Diplomatic ^a	170
Military advisers and technicians	0
Economic advisers and technicians	200
Total	370

Estimated Number of Egyptian Personnel Receiving Military Training in USSR

1980	0
1981	0
1982	0
1983	0
1984	0
1985	0

Soviet Trade With Egypt (million US \$)^b

	Exports	Imports	Total
1975	364	623	987
1980	266	323	591
1981	339	372	711
1982	302	417	719
1983	345	482	827
1984	341	332	673
1985	338	364	702

Soviet Economic Credits/Grants Extended (million US \$)

1975	0
1980	0
1981	0
1982	0
1983	0
1984	0
1985	0

Military Sales (million US \$)



Facilities Used by Soviet Military

None

^a All officials—political, economic, military, intelligence—who work in the Embassy, as well as media and trade representatives.

^b From official Soviet statistics, which do not include all military trade.

Egyptians to begin making at least minimal payments on the principal before it is willing to engage in major new transactions. Although bilateral trade is likely to expand, Egypt's growing financial difficulties and the USSR's own economic stringencies limit both sides' ability to compromise on the debt issue and probably will constrain any significant expansion of overall trade.

Despite Cairo's hope to use the "Soviet card" in bargaining with Washington, Egyptian leaders have repeatedly stated in public that they are not about to reduce Egypt's strong political, military, and economic ties to the United States. Although the Egyptians need spare parts to keep their Soviet weapons purchased in the 1960s and 1970s functioning, they have made the expensive and disruptive shift to dependence on Western arms and do not appear anxious to purchase major weapon systems from the Soviets. Such purchases would not only create more logistic problems for the Egyptians and risk making them dependent on Moscow again but also might undermine their access to US arms. Cairo is likely during the next five years to purchase relatively small amounts of Soviet weapons and only those types that do not require a sizable Soviet advisory presence in Egypt.

Fundamental political differences between Moscow and Cairo also stand in the way of a major improvement in relations, and those differences are unlikely to abate significantly. The two sides take different approaches to resolving the Arab-Israeli dispute. Although the Egyptians endorse the concept of an international conference on the question—the Kremlin's pet project—they see greater merit in direct negotiations between the parties (what the Soviets criticize as "separate deals") to pave the way for a comprehensive settlement. In addition,

see the USSR's role more as one of a guarantor than as an active participant in the formulation of a final settlement.

Moscow's ties to Syria and Libya—Cairo's two main rivals—also impose some limits on any significant improvement in Soviet-Egyptian relations. The Soviets probably would justify any move closer to Egypt by trying to convince Damascus that they were

drawing Cairo away from Washington. The prospects for major Soviet advances in Egypt during the next few years are unlikely to be good enough, however, for the Soviets to risk undermining their position in Syria, which has taken so long to build. Moscow is less concerned about upsetting Libyan leader Qadhafi but still will not want to jeopardize its growing military access to Libya for uncertain gains in Egypt.

Moscow's Goals. The Soviets are likely to downplay these political differences with the Egyptians.

It appears, however, that Moscow, although the suitor, is not prepared to give something for nothing. Karen Brutents, senior Middle Eastern specialist in the CPSU Central Committee's International Department, noted in an interview in October 1984 that the improvement of bilateral relations "depends more on Egypt." That view apparently holds today. The Soviets' immediate aims seem to be:

- Poisoning US-Egyptian relations.
- Undermining Egypt's commitment to the Camp David accords.

- Achieving at least minimal progress in economic relations.
- Fostering a rapprochement between Cairo and Damascus.

Achievement of these goals would clear the path for a broader improvement in bilateral ties and minimize the risk of undercutting Soviet relations with Syria.

The Soviets apparently do not expect major progress any time soon in realizing these goals.

We believe that Egypt, while giving greater emphasis to its nonalignment, will almost certainly remain in the US camp for at least the next few years. Further limited improvement in Soviet-Egyptian ties is probable, but

there will be no return to the close relationship of the late 1960s. The Egyptians have made it clear that they do not intend to repeat that experience.

The Linchpin: Syria

Syria has been central to the Soviets' interests in the Middle East since the early 1970s. Their relationship with Syria—by far the most powerful Arab "confrontation" state opposing Israel—has provided them entree into the Middle East and influence in the Arab-Israeli dispute. Moscow and Damascus have been drawn together by some common objectives—above all, to prevent Israel and the United States from achieving separate peace settlements between Tel Aviv and each of its Arab neighbors—as well as by the USSR's lack of alternative avenues of influence in the region and Syria's lack of alternative sources of military support. To achieve their objectives, they have had nowhere else to turn but toward each other. In our view, it is this mutual dependence rather than affinity or ideological compatibility that has solidified the relationship.

Military Backing: The Tie That Binds. The dominant factor in the Soviet-Syrian relationship is Moscow's willingness to provide military support. The Soviets have delivered almost \$17 billion worth of weapons through 1985 to Syria, more than to any other Third World client. The USSR and its East European allies provide Syria with virtually all of its arms and, in recent years, have ensured that it is among the first to receive newly exported versions of Soviet weapons.

The dollar value of Soviet weaponry delivered has decreased since the peak year of 1980,¹ but the decline probably will be reversed soon.

Syrians will soon receive their first MIG-29s (see figure 3 and foldout figure 11 at the back).








Beyond the approximately 3,000 Soviet military advisers and technicians with Syrian forces (see inset, page 15), the USSR has some independent military units of its own in Syria. The most significant were the two SA-3 SAM units the Soviets sent to Syria in early 1983. There were some 2,000 Soviet personnel manning the SA-3 complexes at Hims and Dumayr until they began leaving in October 1984.

They strongly suggest that there now are 50 to 100 Soviet advisers and technicians at each complex and that they—along with the Soviets at the Syrian air defense headquarters in Damascus—maintain a primary role in the command and control of the missiles. Final control over firing the missiles.

¹ See figures in inset on page 18.

² For

Figure 3
Selected Weapon Systems the Soviets Might Provide
Syria During the Rest of the 1980s

	Description	Introduced in Soviet Forces
Air/Air Defense Systems		
SA-10 	Transportable, medium-range (100 km) SAM. Newest, most capable Soviet system. Effective against aircraft at all altitudes. Radar can be used with other SAMs against low-altitude targets.	1980
SA-11 	Mobile low-to-medium altitude, medium-range (30 km) SAM.	1982
MIG-27 Flogger D/J 	Improved MIG-23 ground attack aircraft with greater payload and better navigation system. J variant equipped with laser range-finder and target designator.	1975/1978
MIG-29 Fulcrum 	Latest Soviet combat aircraft. Designed for close air-to-air combat. May also serve as a fighter-bomber. Only small number produced thus far.	1984
SU-25 Frogfoot 	Latest Soviet ground attack aircraft. In use with Soviet forces in Afghanistan and exported to Iraq in 1985.	1981
Ground Forces Systems		
T-80 	Latest Soviet medium tank with gas turbine engine, improved armor protection, and better mobility than earlier tanks. Able to fire antitank guided missile through gun tube.	1981
Naval Systems		
F-Class Submarine 	Diesel-powered attack submarine. Already exported to several countries outside the Warsaw Pact.	1958

Note: Data based on information as of November 1986.

Soviet Military Advisory Presence

To assist the Syrians in operating and maintaining Soviet equipment, as well as to train them in general military tactics and doctrine, Moscow maintains approximately 3,000 military advisers and technicians in Syria. They are present at virtually every level of the Syrian armed forces, from battalion to general command. The Soviets, themselves, assist in manning—and in some cases exclusively operate—most of the advanced electronic warfare equipment and the air defense early warning and command-and-control network in Syria.

Moscow also maintains a dozen or so advisers and technicians with Syrian combat and early warning radar units in Lebanon, according to liaison source.

In addition, the Soviets provide Damascus with military intelligence.

We assume that, since 1981, during periods of Syrian-Israeli tensions, the Soviets have passed intelligence to the Syrians gleaned by intelligence collection ships and aircraft deployed to the area.

however, probably has been turned over to the Syrians. Remaining independent Soviet units in Syria include:

Economic Aid. Soviet economic assistance to Syria has been highly visible but, when compared to Arab and Iranian aid, relatively modest. Since the late 1950s, the Soviets have focused their assistance on such large-scale projects as the Euphrates hydroelectric complex, the Tartus-Hims railway, the Syrian oil industry, and land reclamation. Today there are approximately 1,000 Soviet economic technicians working in Syria. Moscow has extended about \$2 billion in economic credits since 1957. (By way of comparison, Arab government disbursements to Damascus since 1979 have averaged \$1.3 billion annually, and Iran has provided an average of \$1 billion a year since 1982.) The Soviets did not extend any credits to Syria from 1977 through 1982, but the more than \$1 billion provided since then and the recent negotiations over building a nuclear power reactor and research center in Syria are leading to a significant expansion of Soviet economic involvement in the country.

The Syrian Quid Pro Quo. In return for this assistance, the Syrians have granted the Soviets some access to the Syrian ports of Tartus and Latakia and

Soviet Arms: How They Are Paid For

the military airfield at Tiya. The Soviet Mediterranean Flotilla regularly receives support from Soviet logistic ships stationed in Tartus. The Soviets have used Tiya airfield since 1972. They deployed IL-38 antisubmarine warfare and naval reconnaissance aircraft there in 1981 and have done so eight times since mid-1983 on what now appears to be a regular basis. TU-16 Badger reconnaissance aircraft also deployed to Tiya in 1981 and six times since early 1985.

Outside the military sphere, the Soviets receive Syrian support in international forums on many issues, including Afghanistan and Moscow's perennial "peace" offensives. In addition to the hard currency the Soviets earn from arms sales to Syria, the Syrians also apparently give Soviet bida on economic projects in Syria preferential consideration because of the USSR's importance as a source of arms.

Limited Soviet Influence. Despite the wide scope of their presence in Syria, the Soviets have little sway over important decisions made by the Assad regime.

On the one occasion when the USSR is known to have attempted to use its military relationship to pressure the Syrians to change their policy—during Syria's military intervention in Lebanon in 1976-77—it failed.

Damascus, in retaliation for Moscow's setback on arms deliveries, threatened in January 1977 to bar Soviet use of the port of Tartus. Assad's threat eventually led to a resumption of arms shipment.

A major factor behind the USSR's lack of influence over Syrian policymaking is the mutual distrust that has marked relations since Assad's seizure of power in 1970. The Soviets favored the man Assad ousted,

* The Soviets strongly opposed the Syrian intervention on the side of the Christians against the PLO and Lebanese leftist.

Factsheet on Soviet-Syrian Relations

Soviet Ambassador: Aleksandr Drasokhov (assumed post in October 1986)

Syrian Ambassador: Muhammad Ali Halabi (assumed post in March 1983)

Estimated Number of Soviet Personnel in Syria (excluding dependents)

<i>Diplomatic *</i>	90
<i>Military advisers and technicians</i>	3,000
<i>Independent Soviet military units</i>	400
<i>Economic advisers and technicians</i>	1,000
Total	4,490

Estimated Number of Syrian Personnel Receiving Military Training in USSR

1980	50
1981	75
1982	100
1983	NA
1984	1,500
1985	NA

Soviet Trade With Syria (million US \$) ^a

	<i>Exports</i>	<i>Imports</i>	<i>Total</i>
1975	138	96	234
1980	258	236	494
1981	387	350	737
1982	291	415	706
1983	277	405	683
1984	306	271	577
1985	384	227	611

Soviet Economic Credits/Grants Extended (million US \$)

1975	7
1980	0
1981	56
1982	0
1983	273
1984	820
1985	0

Military Sales (million US \$)

Facilities Used by Soviet Military

<i>Latakia</i>	<i>Major port of call</i>
<i>Tartus</i>	<i>Naval support/repair facility</i>
<i>Tiyas Airfield</i>	<i>Used by Soviet IL-38 and TU-16 naval reconnaissance aircraft</i>
<i>Al Mazzah Airfield (Damascus)</i>	<i>Used by Soviet electronic countermeasures helicopter unit</i>

^a All officials—political, economic, military, intelligence—who work in the Embassy and Consulate (Aleppo), as well as media and trade representatives.

^b From official Soviet statistics, which do not include all military trade.

Salah Jedid, the leader of the radical left wing of the Syrian Ba'th Party, who, during his 1966-70 tenure, moved Syria closer to the Soviet Union.

But the Syrians were deeply suspicious of Assad when he first took power. They learned to live with him, but the suspicions remained.

Both sides have kept each other in the dark about major issues. Former Secretary of State Kissinger tells in his memoirs how Assad blocked the Soviets from any involvement in the 1974 Golan Heights disengagement agreement with Israel that the United States had mediated. In January 1977

With Friends Like These . . .

Henry Kissinger describes in his memoirs President Assad's actions denying the Soviets a role in the Golan Heights disengagement talks between Syria and Israel in 1974. Kissinger, using "shuttle diplomacy," brokered the talks. Gromyko traveled to Damascus for the express purpose of obtaining a voice in the negotiations. But Assad, according to Kissinger, did not want to give Moscow a voice, "as he made clear by telling me proudly and in great detail how he had prevented Gromyko from visiting Damascus while I was there." Kissinger sums up the incident:

I have no idea how we could have insisted on an exclusively American mediation had Assad chosen otherwise. Nothing so much demonstrated the weakness of the Soviet position than the fact that Assad did not. The President of Syria, remarkably, preferred to negotiate without his principal ally.

Soviet-Syrian ties have become closer since 1974, but the Soviets still worry that Assad, if he gets the right terms, will reach an agreement with the United States and Israel behind the USSR's back.

• Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown and Company, 1982) pp. 956, 1014-1.

Perhaps the most striking examples of failure to consult were the Syrian military actions in 1976 and 1980. Syrian troops began their move into Lebanon in June 1976 as a shocked Soviet Premier Kosygin arrived in Damascus. Four years later a similar embarrassment for the Soviets occurred when Syrian troops advanced toward the Jordanian border just as Deputy Chairman of the Supreme Soviet Kuznetsov was about to arrive in Damascus for ratification of the Soviet-Syrian treaty of friendship and cooperation.

Alexandrov personally contacted Assad to ask why the Soviets had not been consulted before Syria took this step.

This lack of consultation evidently continues. Soviet officials frequently complain that Damascus does not discuss its policy in Lebanon or contacts with the United States with them. Moscow, for its part, did not brief the Syrians fully on the US-Soviet talks on the Middle East in Geneva in February 1985.

Despite the 1980 Soviet-Syrian friendship and cooperation treaty and all the emphasis Soviet media give to the development of socialism in Syria, the Soviets apparently do not see Syria as a secure base of Soviet influence or fertile ground for socialism. They have continued in the past that Syria is unlikely to develop a socialist system, given the lack of an organized working class and with the bourgeoisie firmly in power. They also have made it clear they have no illusions about the depth and durability of socialism in Syria. They regard Ba'thist socialism as a charade and the Syrians as traders and capitalists whose political dependability is suspect. In recent

years, there also have been reports [of Soviet leaders urging Assad to limit capitalist practices in Syria

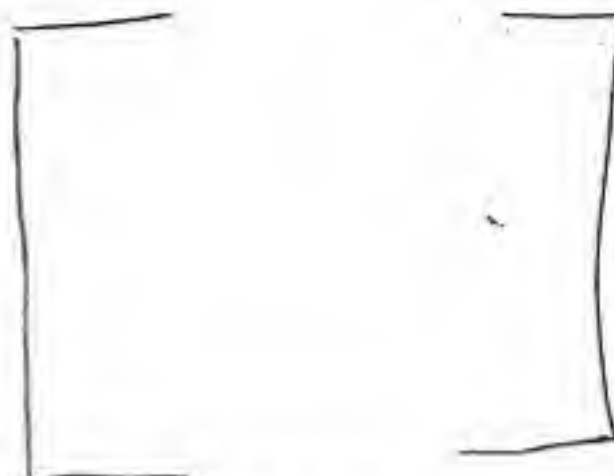
Policy Differences. On policy issues, Soviet-Syrian differences center on the extent of Soviet military support for Syrian strategic objectives and on specific policy toward the PLO and Iraq and—to a lesser extent—Egypt, Lebanon, and the Arab-Israeli peace process. The Soviets have claimed that a primary source of tension in the Soviet-Syrian relationship is the Assad regime's attempts to broaden the 1980 treaty to commit the USSR to come to Syria's defense militarily in the event of war. Soon after the announcement in 1981 of the US-Israeli "strategic cooperation" agreement, the Syrians began [calling for a similar accord between Syria and the USSR. They have also sought Moscow's backing for their goal of "strategic parity" with Israel

The Soviets have been elusive, however [

[Soviet [] what Damascus considered a feeble response to a Syrian study of the Soviet position in the event of a US military move back into Lebanon

[] and past Soviet behavior strongly suggest that Moscow is still determined not to tie its hands to a specific response in the event of another Syrian-Israeli war. Although the dispatch to Syria of Soviet SA-3 units in 1983 committed Moscow to a much greater degree than ever before, it evidently continued to refuse from putting that commitment in writing

Different perspectives on the PLO have led to some of the sharpest Soviet-Syrian differences over the past decade. Moscow has consistently opposed Syrian attempts to dominate the organization, from the Syrian intervention against PLO forces in Lebanon in 1976 to the Damascus-backed attacks on Palestinian camps



Syrian President Hafez Assad and Soviet General Secretary Mikhail Gorbachev during their June 1985 meeting in the Kremlin.

there beginning in the spring of 1985 [

[] The Soviets, however, have had little success in tempering Syrian moves against the PLO and have mixed feelings because they have many of the same grievances with Arafat."

Moscow, similarly, has had no success in convincing Assad to mend fences with Iraq and Egypt. As for Lebanon, the Soviets have suppressed their misgivings about Syrian policy there since the Israeli invasion in 1982, but they still oppose long-term Syrian domination of the country. They have made it clear that under no conditions would the USSR support the partition of Lebanon for the benefit of a "Greater Syria."

Differing Perspectives on the Peace Process. Soviet-Syrian difficulties over the Arab-Israeli peace process have usually [] been over the final terms of a settlement but over how best to obtain those terms. Moscow has sought a comprehensive settlement at an

*The Soviet position on the Soviet-Syrian dispute over the PLO-Syrian dispute

international conference that it would chair jointly with Washington—the solution that would give the USSR the greatest voice. Damascus refused to attend the only international conference on the issue that has ever been held—at Geneva in December 1973—and would not support the US-Soviet call in October 1977 for reconvening the conference. The Syrians have publicly expressed support for the USSR's current effort to convene a conference, but Assad told

that all such international conference would be meaningless until the Arabs unite and achieve military parity with Israel. The Deputy Chief of the Soviet Foreign Ministry's Near East and North Africa Administration admitted

that Syria was one of the few Arab countries that was not showing continuing interest in Moscow's proposed international conference.

In our view, the Soviets cannot risk endorsing any peace initiative that does not meet most of Syria's objectives, even if by doing so they could achieve their main objective—gaining a voice in the peace process. Alienating Damascus to gain entree into the peace process would be an empty victory. The Soviets would have a seat at the peace conference but no ally to represent. At the same time, Moscow has not shown the ability to convince Damascus to soften its position. Thus, the Soviets are left with little choice but to follow the Syrian lead, and the Syrians appear in no hurry to engage in negotiations.

More broadly, the Soviets' overwhelming dependence on Syria for influence in the region requires them, no matter how much they dislike it, to follow or at least acquiesce in Damascus' lead on most major issues in the Arab world. In our view, as long as Syria remains the centerpiece of Soviet strategy—which we believe it will for many years to come unless the Soviets can reestablish a close relationship with Egypt—Moscow will continue to adjust its policies toward other countries to mesh with its Syrian policy. This will not prevent improvement in the USSR's ties to Iraq, Jordan, Egypt, or Yasser Arafat, but it will limit such developments.¹

¹ See "Impact of Future Developments" section for discussion of Soviet policy toward Syria after Assad and of the impact a breakthrough in Moscow's relations with Egypt would have on Soviet-Syrian ties.

Footholds on the Periphery: Libya and South Yemen¹¹

The USSR has devoted considerable resources to expanding its military presence in Libya and South Yemen and probably sees them as useful footholds for complicating US policy and, potentially, expanding Soviet influence in the region. Nonetheless, the fact that the USSR's only Arab clients beside Syria are Libya and South Yemen speaks volumes about the decline of Moscow's influence in the Middle East since the early 1970s. Both countries are geographically and politically on the fringes of the Arab world and the Arab-Israeli dispute.

Libya. Libya is one of Moscow's consolation prizes in the Middle East. When the grand prize—Egypt—began to slip away from the Soviets in the early 1970s, they attempted to compensate for the loss wherever they could. Qadhafi's Libya, despite its pan-Islamic goals and virulent anti-Communism, was a logical candidate for Soviet courting. Both states opposed Sadat's Egypt, "separate deals" with Israel, and the US presence in the Middle East. Qadhafi saw, and still sees, the USSR as a primary source of the modern weapons he believes he needs to achieve his ambitious goals. For Moscow, Qadhafi's desire to buy arms and Libya's vast oil wealth make the country a lucrative source of hard currency. In recent years, the Soviets have also begun to make greater use of Libyan ports and airfields, although Moscow's access hardly replaces what it lost in Egypt. Finally, the Kremlin often benefits—without having to bear the risk or cost—from Qadhafi's worldwide subversive activities against friends of the United States.



As with Syria, Iraq, and Algeria, the military component is the core of the Soviet-Libyan relationship. The USSR has sold more arms to Libya (deliveries estimated to be worth over \$11 billion through 1985—all since 1970) than to any other Third World country except Syria and Iraq. Tripoli paid strictly in hard currency until 1982, when it began meeting part of its bill in oil.¹ Since then Libya has provided Moscow an average of about 115,000 barrels of oil a day, which was worth about \$1.2 billion annually before this year's precipitate drop in the world price of oil. In addition, the Soviets maintain approximately 2,000 military advisers and technicians throughout Libya's armed forces. They have provided limited intelligence and logistic support to Libya for its forays into Chad and during the US-Libyan military confrontations in the Gulf of Sidra this year. Soviet pilots fly training flights with Libyans, and Soviet advisers help maintain and possibly operate Libyan naval ships. Substantial numbers of Libyans are sent to the USSR each year for military training.

Since mid-1981, Qadhafi has allowed the Soviets expanded use of Libyan air and naval facilities. Pairs of Soviet IL-38 naval reconnaissance aircraft

conduct surveillance flights against US and other Western naval ships in the Mediterranean. Soviet naval combatants also use Libyan ports—Tobruk occasionally (for repairs and replenishment) and Tripoli (for ceremonial visits)—but the Mediterranean Flotilla makes far greater use of Syrian and other facilities.

Despite the Soviets' military investment in Libya, Qadhafi's mercurial personality has prompted them to keep a certain distance. President Brezhnev told Egyptian Foreign Minister Fahmy in 1974, according to the latter's memoirs: "That young man [Qadhafi] is crazy. He is an unbalanced fanatic." By 1982,

Soviet Foreign Ministry officials in Moscow sensed that Qadhafi had evolved and become more sympathetic toward the Soviet Union and, in some cases, behaved as an ally.

¹ The Soviets receive roughly all the oil they obtain from Libya.

however, that KGB officials still saw the Libyan leader as "crazy, unpredictable, uncontrollable" and capable of acting against Soviet interests.

Some of the Libyan leader's activities confirm the KGB officials' belief that he is capable of undermining Soviet interests. Qadhafi:

- Publicly criticized the USSR for insufficient military aid to the Arabs during the October 1973 War and the Israeli invasion of Lebanon in 1982.
- Has given military, financial, and political aid to Palestinian rebels bent on ousting PLO leader Arafat, whom Moscow still supports.
- Transferred Soviet-supplied surface-to-surface missiles to Iran in 1985.
- Signed a "union" with Morocco in 1984, over which Soviet officials expressed concern, fearing that it would increase Libyan-Algerian tensions.

Factsheet on Soviet-Libyan Relations

Soviet Ambassador: Pogos Akopov (assumed post in October 1986)

Libyan Ambassador: Muhammad Humud (assumed post in November 1986)

Estimated Number of Soviet Personnel in Libya (excluding dependents)

<i>Diplomatic*</i>	50
<i>Military advisers and technicians</i>	2,000
<i>Economic advisers and technicians</i>	5,000
Total	7,050

Libyan Military Personnel Receiving Training in USSR

1980	1,150
1981	1,150
1982	1,150
1983	900
1984	750
1985	600

Soviet Trade With Libya (million US \$)^a

	Exports	Imports	Total
1975	26	0	26
1980	252	443	695
1981	264	502	766
1982	305	1,554	1,859
1983	357	1,368	1,725
1984	172	1,394	1,566
1985	100	1,053	1,154

Soviet Economic Credits/Grants Extended (million US \$)

1980	0
1981	0
1982	0
1983	0
1984	0
1985	0

Military Sales (million US \$)

Facilities Used by Soviet Military

Tobruk	<i>Occasional use by Soviet submarines and submarine tenders for repairs and replenishment</i>
Umm Attiqah Airfield (Tripoli)	<i>Used by Soviet IL-38 ASW/naval reconnaissance aircraft</i>

* All officials—political, economic, military, intelligence—who work in the Embassy, as well as media and trade representatives.
^a From official Soviet statistics, which do not include all military trade.

- Sent home in 1985 [] but 40 to 50 of the approximately 400 Soviet technicians working at the Tajura nuclear research center.
- Offered to intervene militarily in South Yemen on behalf of former President Hasan during the coup in January 1986 and on at least one other occasion since [] Moscow vigorously protested (North Yemen) and Ethiopian attempts to do the same, and we assume that the Soviets weighed in similarly with Qadhafi.

Some of Libya's other actions, such as the shooting of Libyan dissidents and a British policewoman in London in 1984, while possibly benefiting Moscow by disrupting friends of the United States, have placed the Soviets in awkward positions []

[] condemned the London shootings and displayed unease over the widely publicized Egyptian charges in the summer of 1984 that Qadhafi had planted Soviet mines in the Red Sea. (The first ship struck by a mine, in fact, was a Soviet one.) []

During 1984-85, Soviet-Libyan relations were particularly difficult; [] reported in the latter half of 1985 that Libyan relations were cool [] this to problems over Libya's payments for Soviet arms—specifically, Moscow's unwillingness to compromise on the issue. We estimate that Libya owes the USSR approximately \$2 billion for past weapons purchases.

Frictions between the two have not prevented the Soviets from increasing their support for Libya during the last year. The most visible sign of this was the delivery late last year of Soviet SA-5 missiles. The Soviets also displayed a slightly greater readiness than earlier to back Qadhafi during US-Libyan tensions in January and April of this year. They sent a few ships to the central Mediterranean—some to Libyan coastal waters—to monitor the movements of the US Sixth Fleet and presumably passed tracking data to the Libyans. This Soviet monitoring activity was more

extensive than during past crises involving Libya. And, following the US airstrikes on Libya in April, the Kremlin postponed a meeting between Foreign Minister Shevardnadze and Secretary of State Shultz.

Nonetheless, the Soviets' continued determination to keep some distance from Qadhafi was clearly evident during the US-Libyan clashes. Moscow was careful in its public comments not to commit itself to take any action in support of Libya. Qadhafi requested Soviet military support to oppose the US attacks, but Gorbachev refused []

[] that Qadhafi was incensed over Moscow's stand and over its determination—despite the US attacks—that Libya clear up its past military debt before concluding a new arms deal.

The Soviets have subsequently signaled Washington that they want to stand clear of any future US-Libyan clash [] a Soviet diplomat []

stated in September [] that Moscow's backing for Qadhafi is moral only and that the USSR has no desire to get involved in the US-Libyan conflict. Other Soviet officials repeated these remarks during September.

Disputes over arms payments and concern over Qadhafi's unpredictability are likely to remain complicating factors in Soviet-Libyan relations as long as Qadhafi remains in power.¹² Moscow also will almost certainly continue to avoid giving Qadhafi the security commitments he apparently wants. Besides their desire not to be drawn into a military clash with the United States, the Soviets probably fear that giving Tripoli such a commitment would harm their relations

¹² See "Impact of Future Developments" section for discussion of Soviet options should Qadhafi die or be ousted.

with Algeria and Egypt. The USSR's unwillingness to commit itself to Libya's defense appears to be the primary reason that the friendship and cooperation treaty the two sides announced in principle in March 1983 has yet to be concluded. The Soviets, in our view, have been—and remain—ready to sign an accord similar to their other friendship and cooperation treaties with Third World countries that do not carry security commitments. If Qadhafi agrees to this, a treaty could be signed at any time.

Despite the frictions and the Kremlin's desire to maintain some distance from Qadhafi, the benefits each side derives from the relationship probably will prompt them to continue, and perhaps even expand, their cooperation in the next few years. Qadhafi's heightened sense of vulnerability after the US raid in April probably will lead him to seek greater Soviet military backing. Although to date he has restricted Soviet access to Libyan air and naval facilities, he probably now would welcome an increase in that access because of the impression it would create of a greater Soviet willingness to defend Libya. We believe Moscow desires increased military access but would move cautiously to avoid giving such an impression. The Soviets probably would seek permanent access for their IL-38s, greater use of port facilities at Tobruk, and—possibly—permission to station logistic ships in Tobruk harbor as they do now in Tartus, Syria.

The Libyans periodically threaten in public—most recently in April—to grant the Soviets independent military bases in Libya. In fact,

[that Al Jufra airfield, which the Soviets have been constructing, will be an exclusively Soviet base. We believe, however, that Moscow probably would not expend the resources on building independent Soviet naval or air bases in Libya as long as Qadhafi is in power. Apart from the high risk of being drawn into a US-Libyan conflict and the negative impact such a move would have on the USSR's relations with Algeria, Egypt, and Tunisia, the Soviets would be likely to calculate that the unpredictable Qadhafi could repossess the bases and send Soviet forces home once the US threat subsided, or that he would seek to hold Soviet policy hostage to base privileges. Moreover, from a purely operational standpoint, the risks of Soviet military bases in Libya might not be worth the benefits. For example, although Soviet strike aircraft,

if based at Al Jufra, could pose a threat to US naval operations in the Mediterranean, they would be vulnerable to NATO tactical aircraft and difficult to maintain and supply during a conflict.

South Yemen.¹³ Syria is the Soviets' most important client in the Arab world, but South Yemen is the closest. Whereas in Syria the Soviets have a presence throughout the military but almost nowhere else, in South Yemen they—along with their East European and Cuban allies—permeate the entire government, party, and military structure. The Soviets' interests in the PDRY—a dismally poor country of little more than two million people—stem from its Marxist orientation and its strategic location. The Soviets value the PDRY because it is all they have to show for almost 70 years of trying to foster the growth of Marxist regimes in the Arab world.¹⁴ They promote South Yemen as a model for other Middle Eastern states to follow and work with it to aid leftist movements in the region. Aden is a haven for Middle Eastern Communists, leftist Palestinians, and the remnants of Marxist insurgents who once fought in neighboring Oman and North Yemen.

South Yemen's location at the confluence of the Red Sea and the Indian Ocean gives it military significance for the Soviet Union. Naval ships of the Soviet Indian Ocean Squadron make regular use of the port facilities at Aden,¹⁵ and Moscow keeps two IL-38

¹³ Office [

¹⁴ The USSR, however, played no role in the establishment of South Yemen in 1967 and only a supporting role in the country's swing to the left in the first few years after independence.

¹⁵ With the loss of the use of port facilities in ~~Bubers~~, Somalia, in 1977, Aden grew in importance for the Soviets. Since 1980, Soviet Indian Ocean ships have made an average of about 75 visits annually to Aden. The port, however, is heavily congested with commercial traffic, and Soviet combatants usually use the anchorage off South Yemen's Socatra Island or the port facilities the Soviets have on Ethiopia's Dahlak Island. [

Figure 5
South Yemeni Facilities Used by the Soviet Military

naval reconnaissance aircraft at Al Anad airfield, north of Aden, on a continuous basis.

enhances the ability to monitor US and other Western naval movements in the region (see figure 5).

The Soviets initially welcomed South Yemen's sharp turn leftward during 'Abd al-Fattah Isma'il's 1978-80 rule. They apparently realized, however, that his radicalism was disrupting the country—much as Hafizullah Amin's did in Afghanistan in 1979—and, after intensive consultations with PDRY leaders, they acquiesced in his replacement by Ali Nasir Muhammad al-Hasani in April 1980. From Moscow's vantage point, Hasani, though not as ideologically "pure" as Isma'il, probably was viewed as loyal and more adept at holding the ruling Yemeni Socialist

Party's (YSP) fractious elements together. The Soviets may have intended Isma'il's return in 1985 as a useful "insurance policy" to keep Hasani honest, but we believe they did not favor his reassumption of the top party post. As the noted Isma'il was popular with the Soviets, but they recognized that he did not make a good leader, and they accepted Hasani as the more effective alternative.

The radical Marxist coup in January that toppled President Hasani ushered in a new and unpredictable era in Soviet-PRDY relations. The weakening of the YSP, the death of many top pro-Soviet figures, and the tribal rivalries the coup inflamed have led to a more unstable South Yemen.

Factsheet on Soviet-South Yemeni Relations

Soviet Ambassador: Al'bert Rachkov (assumed post in July 1986)

PDRY Ambassador: Ahmad Abdallah abd al-Ilah (assumed post in November 1985)

Estimated Number of Soviet Personnel in PDRY (excluding dependents)

Diplomatic ^a	30
Military advisers and technicians	1,000
Independent Soviet military units	300
Economic advisers and technicians	550
Total	1,880

Estimated Number of PDRY Personnel Receiving Military Training in USSR

1980	NA
1981	NA
1982	NA
1983	2,000
1984	2,000
1985	NA

Soviet Trade With PDRY (million US \$)^b

	Exports	Imports	Total
1980	86	8	94
1981	129	8	137
1982	93	8	101
1983	184	7	191
1984	136	7	143
1985	172	10	182

Soviet Economic Credits/Grants Extended (million US \$)

1980	209
1981	0
1982	0
1983	0
1984	0
1985	0

Military Sales (million US \$)

Facilities Used by Soviet Military

Aden Naval support/repair facility

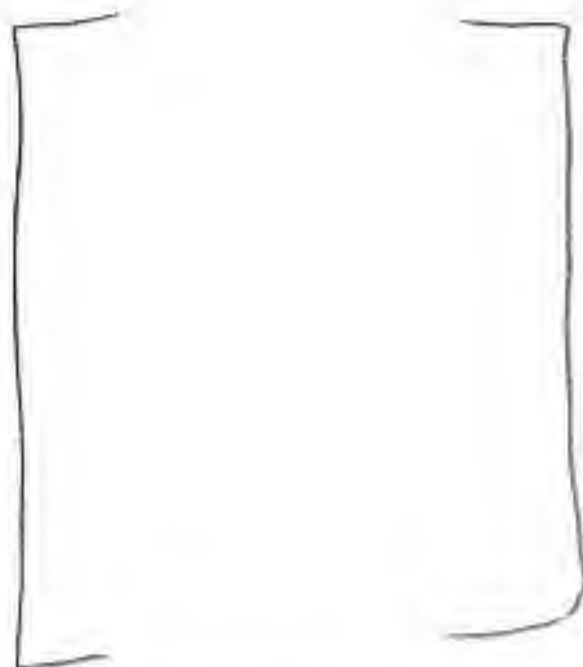
C I C

Socotra Island

Al Anad Airfield Two IL-38 naval reconnaissance/ASW aircraft stationed there

^a All officials—political, economic, military, intelligence—who work in the Embassy and Consulate (Al Mukallah), as well as media and trade representatives.

^b From official Soviet statistics, which do not include all military trade.



It noted the increasingly pro-Soviet tone in the Houthi regime's public statements during 1984-85. Hasani may have adopted this almost obsequious pro-Soviet posture to head off the threat to his leadership that began to arise within the YSP in mid-1984.

Hasani weathered the threat in 1984, apparently with Soviet support, but—perhaps as part of a compromise to end the party factionalism—Moscow convinced him to accept the return to Aden and appointment to the party secretariat of Isma'il.

A senior Soviet party official advised Isma'il and Hasani, during the latter's visit to Moscow in October 1984, to resolve their differences.

We believe that Moscow had no compelling reason to seek Hasani's ouster, did not support the coup, and was surprised by it. By 1984 it had become clear that the Soviets and Hasani had resolved their differences over his opening toward the West and with moderate Arab states, as well as over the PDRY's displeasure with the low level of Soviet economic aid that plagued their relations in 1982-83. Hasani was the only Arab leader granted a meeting with Gorbachev at Chernenko's funeral in March 1985. Soviet leaders did not meet with him at the funerals of Brezhnev and Andropov in 1982 and 1984, respectively.

The Soviets appeared quite happy with Hasani's policies. In fact, his more moderate foreign policy played a decisive role in convincing Oman and the UAE to establish diplomatic relations with the USSR in 1985.

South Yemeni expressions of fealty to the USSR became more and more effusive during Hasani's last year in power. The communiqué from the YSP Central Committee plenum in February 1985 lauded the "increasing development of the strategic alliance relations" between the PDRY and the Soviet Union.

Isma'il returned in March 1985, shortly after he was reinstated to the party secretariat, and Hasani relinquished his post as head of government.

The Kremlin presumably endorsed Isma'il's reinstatement to the Politburo at the YSP party congress in October 1985, but they also almost certainly backed Hasani's reelection as general secretary. Soviet leaders sent him a message on the eve of the congress, which, in effect, amounted to an endorsement of his continuation as party chief.

Moscow's behavior during the coup attested to its lack of complicity. Soviet media carried Hasani's erroneous announcement on the first day of the coup, 13 January, that the "counterrevolutionaries" had been crushed and their ringleaders executed. Four days into the crisis, Soviet media were still calling the rebel leaders "putschists." Shortly thereafter, as the Soviets evacuated their nationals from Aden and the fighting shifted in the rebels' favor, the USSR adopted a neutral public stance and attempted to mediate between the two sides. It was only 10 to 14 days into the

Soviet trawler off the coast of Aden during the January 1986 fighting

coup, when the rebels clearly had gained the upper hand, that Moscow threw its support to the new regime, and even then it did so discreetly.

The Soviets kept a low profile so there is cause for them to deny any involvement in the fighting on the rebels' side. Moscow's more vital support consisted of pressure on North Yemen and Ethiopia not to aid Hasani's forces.

The new regime, nominally headed by President 'Attas,* not only is beset with internal factionalism, but forces loyal to Hasani continue to harass the government from their safehaven in North Yemen, and the tribal animosities that the fighting exacerbated continue to smolder. Soviet officials have acknowledged that tribalism is one of the major problems the regime faces. Leonid Zamyatin, then chief of the CPSU Central Committee's International Information Department, told a Lebanese newspaper in February that South Yemen is still encountering difficulties from the "tribal division of society." An

* 'Attas, a longtime Hasani supporter and without an independent power base, apparently is only a figurehead. Although he replaced Hasani as president, he did not assume Hasani's more important post of YSP secretary general. The real powers in the new regime appear to be YSP Secretary General Ali Salim al-Bidh and Deputy Secretary General Salim Salih Muhammad.

important *Pravda* article in September echoed this view. It also blamed Hasani for precipitating the January events—the first time the Soviets stated this in public.

Isma'il and other prominent rebel leaders were killed in the fighting, but most of the key figures in the new regime—including Bidh and Salim Salih—have a reputation of being radical Marxists and fervently pro-Soviet. Moscow, however, appears to be advising the new leaders to portray themselves as moderates.¹⁴ The regime has repeatedly stated in public that it desires good relations with all its neighbors.

In February, argued that there are numerous moderates in the new cabinet.

Despite the new regime's fervently pro-Soviet tenor, there is the potential for Soviet-South Yemeni tensions over the level of Soviet economic aid and efforts by Moscow to expand its military access in the PDRY. The South Yemenis have long been dissatisfied with the level and quality of economic aid the USSR has provided. Many Soviet projects have taken years to complete and have compared unfavorably with the few Western projects that South Yemen has contracted for in recent years. Aden was particularly rankled by the paltry Soviet relief package following the major floods in 1982. Moscow is unlikely to provide significantly increased economic aid in the years ahead because of its own economic constraints and its probable belief that Aden is securely within the Soviet orbit and therefore not likely to alter its political allegiance, even if it were to obtain substantial Arab or Western assistance.

The Soviets may increase efforts to obtain expanded access to South Yemeni air and naval facilities and possibly even an independent Soviet military base.

¹⁴ In fact, the choice of the "moderate" 'Attas to replace Hasani as president probably was a result of Soviet advice. 'Attas, in India, when the coup began, flew to Moscow and remained there until the rebels announced their choice of him as provisional president.

with the YSP at war with itself, there is no credible organized threat outside the party to vie for control of the country. The most serious potential threat could come from Hasani's forces in North Yemen.

Such a development could lead Moscow to become even more directly involved in South Yemen's defense.

Partners of Convenience: North Yemen, Iraq, Algeria, and the PLO

North Yemen. The Soviets' ability to maintain relatively good relations with a variety of regimes in Sanaa for almost 60 years is one of their success stories in the Middle East. Moscow has been involved in North Yemen longer than in any other Arab country.* The treaty of friendship and trade the

Soviets signed with the feudal, theocratic regime of Imam Yahya in 1928 was their first with an Arab government. When the Imamate fell in 1962, the USSR moved quickly to support the new Yemen Arab Republic (YAR), going so far as to provide pilots to fly combat missions in 1962-63 and to provide both pilots and an airlift of military supplies in 1967—the first such Soviet military interventions in crises in the Arab world.

The Soviets adroitly managed to maintain and even increase their influence in North Yemen under President Salih, who took power in 1978, despite their close ties to Marxist South Yemen and indirect support for the Marxist insurgency in the North during the early 1980s. The YAR's need for a reliable source of arms and training to fend off its two neighbors, South Yemen and Saudi Arabia, induced Sanaa to seek Soviet support.

Soviet interest in North Yemen stems more from its neighbors than from its intrinsic value. The YAR, with approximately 6.3 million people, represents a

* The Soviets established relations with Saudi Arabia in 1926, two years before their treaty with Yemen, but withdrew their envoy in Jidda in the mid-1930s and relations have been dormant ever since.

Soviet ships in Aden harbor.

The most recent efforts occurred in 1983.

Admiral Gorshkov, then Commander in Chief of the Soviet Navy, traveled to Aden in March 1983 to seek permission to build new naval and air facilities in South Yemen that would be controlled by the Soviets.

The current leaders probably would not object to expanded Soviet access to South Yemeni facilities but are unlikely to grant Moscow a sovereign base. This is a particularly sensitive issue with the South Yemenis, whose entire country was a sovereign British base for 129 years.

Neither issue—economic aid or military access—is likely to develop into a major problem between the two countries. The South Yemeni leaders would prefer more generous economic aid but almost certainly view it as secondary to the military assistance Moscow provides. The Soviets, for their part, are not in dire need of expanded military facilities. They can adequately maintain their current air and naval forces in the region with the facilities now at their disposal. The pressure for increased access would intensify if they decided to expand those forces.

Thus, despite the traumatic effect of the coup on the South Yemeni ruling structure, Moscow maintains a strong foothold in Aden and is likely to continue to do so for at least the rest of the decade. The current regime is even more pro-Soviet than Hasani's. Tribalism and YSP factionalism are likely to remain destabilizing factors, but—as the coup has shown—even

potential threat to Moscow's ally, South Yemen, which has about one-third the population. Soviet influence in North Yemen represents some insurance against this threat.

Moscow's presence in the YAR, although far less extensive than in the PDRY, is substantial. Soviet and East European arms comprise approximately three-fourths of the inventory of the YAR's armed forces. About 500 Soviet military advisers and technicians are assigned to North Yemen, and about 250 Yemenis are presently receiving military training in the Soviet Union. In addition, there are approximately 175 Soviet economic advisers and technicians in the YAR and an embassy staff of about 150—after Egypt, the second largest Soviet mission in the Middle East. The Soviets may see Sanaa as the best place available to them to collect intelligence on Saudi Arabia, where they have no representation—thus, the large presence in a small country.

We are not certain how much influence this large presence gives the Soviets. Some YAR officials, most notably former Foreign Chief of Staff Basfaj, are pro-Soviet, but the list is not long, and Salih himself does not appear to be unduly swayed by Moscow. Nonetheless, the Salih regime publicly supports many Soviet international initiatives

and almost never speaks negatively about the Soviets in its media—treatment it does not accord the United States.

Moscow scored a propaganda success by convincing Sanaa in October 1984 to upgrade its longstanding treaty to one of "friendship and cooperation." The accord is the most vague and least binding of all such treaties the Soviets have signed to date. It differs from the 1964 treaty (the previous most recent update of the original document signed in 1978) in several ways; it has:

- A pledge to consult on international problems that affect both countries' interests.
- A pledge not to take part in actions directed against each other.
- Some anticolonialist rhetoric.
- A duration of 20, rather than five, years.

These points are common to all Soviet friendship and cooperation treaties with Third World countries. Unlike most of the other treaties, however, the one with North Yemen does not have a clause calling for closer military cooperation. Moreover, the treaty's call for consultation on international problems does not

¹¹ The friendship and cooperation treaty with the YAR is the fifth Moscow has signed; two others with Libya and Somalia were last observed by *Global Vantage*.

Factsheet on Soviet-North Yemeni Relations

Soviet Ambassador: Anatoliy Filev (assumed post in September 1984)

YAR Ambassador: Abd al-Uthman Muhammad (assumed post in February 1983)

**Estimated Number of Soviet Personnel
in YAR (excluding dependents)**

<i>Diplomatic ^a</i>	<i>150</i>
<i>Military advisers and technicians</i>	<i>500</i>
<i>Economic advisers and technicians</i>	<i>175</i>
Total	825

**Estimated Number of YAR Personnel
Receiving Military Training in USSR**

<i>1975</i>	<i>100</i>
<i>1980</i>	<i>1,200</i>
<i>1981</i>	<i>500</i>
<i>1982</i>	<i>600</i>
<i>1983</i>	<i>400</i>
<i>1984</i>	<i>250</i>
<i>1985</i>	<i>250</i>

Soviet Trade With YAR (million US \$) ^b

	<i>Exports</i>	<i>Imports</i>	<i>Total</i>
<i>1981</i>	<i>32</i>	<i>NEGL</i>	<i>32</i>
<i>1982</i>	<i>47</i>	<i>1</i>	<i>48</i>
<i>1983</i>	<i>57</i>	<i>NEGL</i>	<i>57</i>
<i>1984</i>	<i>14</i>	<i>NEGL</i>	<i>14</i>
<i>1985</i>	<i>18</i>	<i>NEGL</i>	<i>18</i>

**Soviet Economic Credits/Grants Extended
(million US \$)**

<i>1981</i>	<i>55</i>
<i>1982</i>	<i>0</i>
<i>1983</i>	<i>0</i>
<i>1984</i>	<i>0</i>
<i>1985</i>	<i>0</i>

Military Sales (million US \$)

Facilities Used by Soviet Military

None

^a All officials—political, economic, military, intelligence—who work in the Embassy, as well as media and trade representatives.
^b From official Soviet statistics, which do not include all military trade.

stipulate that the two sides should attempt to coordinate their policies during crises, as does every other Soviet treaty but one.

Substantively, the treaty adds more formality to the relationship and should, the Soviets hope, help to ensure its stability. The Kremlin's aim in such treaties apparently is to base the relationship on legal institutions, rather than on personalities, to ensure that Soviet-YAR ties will survive Salih's departure. There is nothing in the treaty, however, that guarantees that this will be the case or—as Egypt's and Somalia's abrogation of similar treaties showed—that the current North Yemeni leadership will not have a change of heart.

A number of issues limit bilateral ties. Perhaps the most important is an economic one. North Yemen is a desperately poor country and is currently unable to meet the payments on its estimated \$900 million debt to the USSR. The servicing of this debt is a perennial topic at meetings between high-level Soviet and North Yemeni officials. The Soviets have apparently, for lack of alternatives, rescheduled at least part of the debt but are not willing to write it off as a loss. Sanaa's inability to pay also impinges on future purchases of Soviet military equipment. Moscow is unlikely to let the debt grow much beyond what it is today; the YAR is not as important to Soviet interests as Syria.

The discovery of oil in North Yemen by a US company in 1984 may eventually alleviate Sanaa's financial problems and ease frictions with Moscow over the debt. On the other hand, the newfound wealth might enable North Yemen to purchase more Western arms, and the involvement of a US oil company could lead to closer ties between Sanaa and Washington.

If weapons were available and affordable in the West, North Yemen probably would not far from them to reduce its dependence on Moscow. High-level YAR military commanders—especially in the Air Force—have been critical of the Soviet training program in North Yemen. [] The main complaints were not enough flying time and a high accident rate.

Soviet Friendship and Cooperation Treaties With Third World Countries

<i>Egypt*</i>	27 May 1971
<i>Iraq</i>	9 April 1972
<i>India</i>	9 August 1972
<i>Somalia*</i>	11 July 1974
<i>Angola</i>	8 October 1976
<i>Mozambique</i>	31 March 1977
<i>Vietnam</i>	3 November 1978
<i>Ethiopia</i>	20 November 1978
<i>Afghanistan</i>	5 December 1978
<i>South Yemen</i>	25 October 1979
<i>Syria</i>	8 October 1980
<i>Congo</i>	13 May 1981
<i>North Yemen</i>	9 October 1984

* Egypt abrogated the treaty on 15 March 1976.

* Somalia abrogated the treaty on 11 November 1977.

Moscow reportedly was concerned enough about Sanaa's anger over the Soviet reaction to the coup in Aden to offer increased military aid on favorable terms. []

Although genuinely worried about Sanaa's intentions, Soviet leaders probably calculate that Salih is too heavily dependent on the USSR for arms to downgrade the relationship significantly. We believe that, if the Soviets concluded that Salih were seriously moving in that direction, they would become even more cooperative about supplying arms and more lenient about the terms of payment.]

North Yemen's stance toward the regime in the PDRY will be a determining factor in Soviet-YAR relations over the next few years. If Salih provides significant military assistance to Hasani's forces, Moscow is certain to increase pressure on Sanaa to desist. Such pressure could include more visits by high-level Soviets, threats to cut off the supply of Soviet arms, or even a revival of the Marxist National Democratic Front guerrillas. Relations are likely to remain somewhat tense even if Salih eventually accepts the change of power in Aden. He already suspects that the radicals in the regime will attempt to destabilize North Yemen. At this point, we do not believe the Soviets will encourage such attempts short of major North Yemeni aid to Hasani's forces, but they probably calculate that the threat of potential PDRY destabilization efforts in the YAR will be a useful lever in their dealings with Sanaa.

Iraq. Iraq is important to the Soviets because it is:

- A major actor in the Arab world and a perennial rival with Syria and Egypt for preeminence among the Arabs.
- A rival of Iran as the most influential power in the Persian Gulf region.
- One of the world's major oil producers and, thus, a lucrative source of hard currency for Moscow.
- Virulently anti-Israeli and, until recently, almost as adamantly anti-United States.

The Soviets' relationship with Iraq has been their most erratic in the Middle East. Relations were so hostile under the Iraqi monarchy that Baghdad severed relations with Moscow in 1955 in response to Soviet protests about the formation of the Baghdad Pact. General Qasim's ouster of the monarchy in 1958 brought an immediate reestablishment and improvement of relations, but ties fluctuated with the various regimes that ruled in Baghdad through the mid-1960s.

The Ba'th Party's reemergence as the ruling group in Iraq in 1968—it remains in power today—led to another upsurge in Soviet-Iraqi relations. The new leaders of the Ba'th—in the aftermath of the massive Arab defeat at the hands of Israel in the June 1967 war—saw the Soviet Union as vital to the achievement of Arab aims. The Ba'th followed a radical

anti-Israeli, anti-US foreign policy and professed allegiance to a socialist internal order. Despite some differences, the USSR and Iraq drew closer over the next decade.

Relations began to sour again, however, by the late 1970s, as Baghdad—fearful of growing Soviet involvement in Ethiopia, South Yemen, and Afghanistan—cracked down on the Iraqi Communist Party (CPI) and sought to reduce Iraqi dependence on Soviet arms by purchasing Western weapons. The relationship plummeted to its lowest point since 1958 when Moscow cut off arms shipments to Iraq at the outbreak of the war with Iran in September 1980. After attempting to capitalize on this embargo with the Khomeini regime in Iran and failing, the Soviets lifted it in the spring of 1981 and began to tilt decisively toward Baghdad in the spring of 1982, when the two sides signed their first new arms deal since the war began.²

Soviet-Iraqi ties today are the best they have been since the heyday of the relationship in the early 1970s. This is almost entirely due to the Kremlin's decision to open up the arms tap to Iraq. The Soviets have delivered military equipment worth more than \$7 billion to Iraq since ending the embargo in early 1981, making them Baghdad's largest supplier (see figure 6).³ To maintain this equipment and train the Iraqis, Moscow has approximately 1,000 military advisers and technicians in Iraq.

The Soviets have coupled the arms flow with a more supportive public posture for Iraq in its war with Iran since Iraqi forces were driven out of most Iranian territory in June 1982. Most Soviet public statements take a neutral stance on the war, but Soviet media are

² For a full discussion of the Kremlin's policy (which was its shift to a pro-Iraqi position, see D1 Intelligence **REPORT** 50V 83-10145C-1 **2 SEPTEMBER 1984** **THE WAR BETWEEN** Iran and Iraq).

³ The Soviets have supplied Iraq with about one-third of its weaponry (in terms of dollar value) since the war began. France is second with over \$5 billion worth of deliveries.

Figure 6
Estimated Values of Soviet and
Warsaw Pact Military Deliveries
to Iraq, 1981-85

Million US \$

increasingly leaning toward the Iraqi position, particularly since the Iranian capture of Al Faw in February. They are praising Baghdad's willingness to end the conflict through mediation and criticizing Tehran's unwillingness to do the same.

Moscow's military support and backing for Iraq's position on the war has led to an improvement, both politically and economically, in the relationship. President Saddam Husayn acknowledged in an interview in October 1984 that "circumstances" at the beginning of the war with Iran had "cast their shadow" on Soviet-Iraqi relations but that ties were now "good." His visit to Moscow in December 1985, his first since 1978, highlighted the improvement in relations, even though it revealed continuing differences.

The two countries have expanded their economic dealings. In April 1984, the Soviets extended Iraq a \$2 billion line of credit on favorable terms for civilian projects, according to a public statement by Foreign Minister Tariq Aziz. Baghdad has awarded Moscow major contracts since late 1983 to develop Iraq's West Qurnah oilfield, build a pipeline between Baghdad and Iraq's Southern Rumaylah natural gas field, construct two thermoelectric power plants, and survey sites to build a nuclear power plant. In addition, the USSR has since mid-1983 accepted oil as a partial means of payment for the arms it ships to Iraq.²⁴

²⁴This oil is provided in two ways: Iraqi crude is pumped through the pipeline across Turkey and picked up at the Ceyhan terminus on the Mediterranean, and Saudi crude is picked up in the Persian Gulf and credited to the Iraqi account with the Soviets. Moscow resells all of this.

During 1984 and 1985, the Soviets received an average of 80,000 barrels per day (b/d) of Iraqi oil and 40,000 b/d of Saudi crude, which was part of Saudi Arabia's aid to Iraq.²⁵ The Kremlin's willingness to forgo the usual cash-on-delivery terms of Soviet-Iraqi weapons trade is another indicator of the importance it has assigned to improving relations with Baghdad and preserving the Soviet share of the Iraqi market.

Even with the increased Soviet involvement in the Iraqi economy over the past three years, however, Baghdad is still heavily dependent on Western and Arab trade and aid. Three-quarters of Iraqi civilian imports continue to come from the West, while aid provided by the Arab Gulf states dwarfs that of the

²⁵See table on page 7.

Factsheet on Soviet-Iraqi Relations*Soviet Ambassador: Viktor Minin (assumed post in March 1982)**Iraqi Ambassador: Sa'ad Abd al-Majid Faysal (assumed post in March 1984)***Estimated Number of Soviet Personnel
in Iraq (excluding dependents)**

Diplomatic ^a	30
Military advisers and technicians	1,000
Economic advisers and technicians	5,500
Total	6,530

**Estimated Number of Iraqi Personnel
Receiving Military Training in USSR**

1980	NA
1981	0
1982	100
1983	100
1984	200
1985	200

Soviet Trade With Iraq (million US \$)^b

	Exports	Imports	Total
1975	381	452	833
1980	729	398	1,127
1981	1,259	5	1,264
1982	1,347	25	1,373
1983	501	516	1,017
1984	336	823	1,159
1985	322	668	990

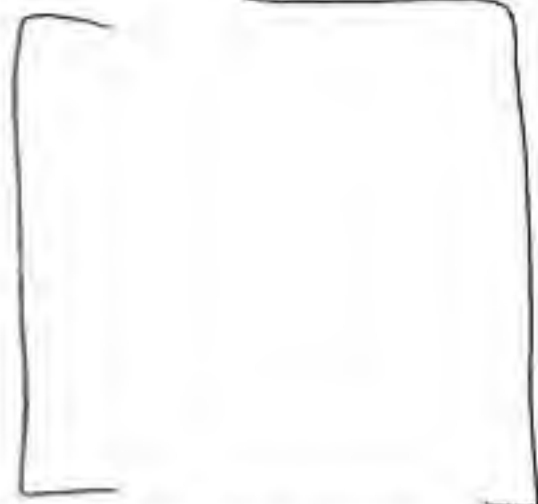
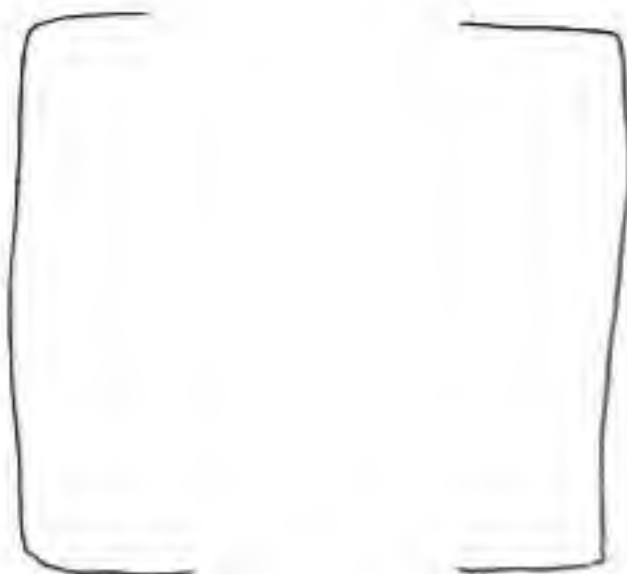
**Soviet Economic Credits/Grants Extended
(million US \$)**

1975	0
1980	0
1981	0
1982	0
1983	1,000
1984	45
1985	NA

Military Sales (million US \$)^c**Facilities Used by Soviet Military**

None

^a All officials—political, economic, military, intelligence—who work in the Embassy, as well as media and trade representatives.
^b From official Soviet statistics, which do not reflect all military trade.



Soviets. In 1983, for instance, the Arabs extended approximately \$12 billion in economic aid to Iraq; the Soviets provided \$45 million.

Despite Moscow's extensive involvement in Iraq, its record arms shipments, and the clear improvement in relations since the spring of 1982, fundamental differences continue to separate the two sides. The minimal time Gorbachev spent with Saddam during the latter's visit to Moscow in December 1985, TASS's description of their meeting as "frank," and the failure of the two sides to agree on a joint communique were a reflection of these differences and the legacy of intense enmity between the two sides.

On international issues, the Soviets and Iraqis have long differed on the Arab-Israeli peace process. Baghdad rejected the 1967 UN Security Council Resolution 242, which the Soviets helped formulate. Foreign Minister Aziz told former US Middle Eastern envoy Joseph Sisco in January 1985 that Moscow pressed Baghdad hard to accept 242 in the early 1970s. The Iraqis not only refused but also condemned the ceasefire following the war in 1973 and the subsequent peace conference in Geneva. Iraq also refused to support the joint US-Soviet call in October 1977 for reconvening the Geneva talks and is one of the few Arab states not to endorse the USSR's more recent efforts to hold an international conference on the Arab-Israeli issue.

Moscow and Baghdad do not see eye to eye on a number of other international issues, including:

- The flow of Soviet-made arms to Iran through third parties such as Libya, Syria, and the USSR's East European allies.
- The Soviet invasion and continuing occupation of Afghanistan. Baghdad strongly condemned the invasion, but since 1983—presumably as a response to Moscow's willingness to provide Iraq with large amounts of weaponry—it has abstained from the yearly vote in the UN General Assembly call for Soviet withdrawal (see table 2).

The Soviets and Iraqis share a fundamental distrust of each other that will not easily be eroded. The Soviets have seen Saddam repress the Iraqi Communist Party (CPI) and have been unable to ease the repression significantly despite repeated attempts. Although the Kremlin has urged the Iraqi Communists to cooperate with the government as a means of increasing their influence in the country, Moscow's eventual goal almost certainly is to oust the Ba'ath.



Table 2
Middle Eastern Votes on Annual UN Resolution Demanding the
Withdrawal of "Foreign Troops" From Afghanistan

	January 1980	November 1980	1981	1982	1983	1984	1985	1986
Afghanistan	N	N	N	N	N	N	N	N
Algeria	A	A	A	A	A	A	A	A
Bahrain	Y	Y	Y	Y	Y	Y	Y	Y
Egypt	Y	Y	Y	Y	Y	Y	Y	Y
Iran	Y	Y	Y	Y	Y	Y	Y	Y
Iraq *	Y	O	Y	Y	A	A	A	A
Israel	Y	Y	Y	Y	Y	Y	Y	Y
Jordan	Y	Y	Y	Y	Y	Y	Y	Y
Kuwait	Y	Y	Y	Y	Y	Y	Y	Y
Lebanon	Y	Y	Y	Y	Y	Y	Y	Y
Libya	O	O	N	N	N	N	N	N
Mauritania	Y	Y	Y	Y	Y	Y	Y	Y
Morocco	Y	Y	Y	Y	Y	Y	Y	Y
Oman	Y	Y	Y	Y	Y	Y	Y	Y
Qatar	Y	Y	Y	Y	Y	Y	Y	Y
Saudi Arabia	Y	Y	Y	Y	Y	Y	Y	Y
Sudan	O	Y	Y	Y	Y	Y	Y	Y
Syria *	A	N	N	N	N	N	N	N
Tunisia	Y	Y	Y	Y	Y	Y	Y	Y
Turkey	Y	Y	Y	Y	Y	Y	Y	Y
UAE	Y	Y	Y	Y	Y	Y	Y	Y
YAR	A	O	O	A	A	O	O	O
PDRY	N	N	N	N	N	N	N	N

Y = Yes

N = No

A = Absained

O = Absent

* Voting pattern has changed

[The Soviets realize that the
CPI is weak and have welcomed the improvement in
Soviet relations with Saddam, thus, they are unlikely
in the next few years to push for his ouster]

The Iraqis are equally distrustful of the Soviets,
resenting Soviet support for the CPI and past support
for Iraqi Kurds (see inset). The Iraqi leadership
believes that the Soviets could end CPI subversion in
a moment if they wished to, according []

Moscow and Iraq's Kurds

The level of Soviet support for the Iraqi Kurds—20 percent of the population—has fluctuated with the shifts in Soviet ties to the various regimes in Baghdad. When relations are good, Soviet support has been minimal; when relations sour, Moscow pays more attention to the Kurds. Currently, the Soviets keep their distance from the increasingly rebellious Iraqi Kurds. Contact with Kurdish leaders is maintained through a faction of the Iraqi Communist Party that is fighting alongside Kurdish rebels in northern Iraq. Some claim that the USSR is providing arms to Iraqi, Turkish, and Iranian Kurds, but such reports have never been confirmed. Moscow is likely to continue its contacts with Iraqi Kurds to maintain the option of stepping up support to them should Soviet-Iraqi relations deteriorate.

Na'am Haddad, then a senior Ba'th official, called the CPI a "lackey" party in a press conference in 1984 and said that Iraqi leaders saw "no relationship between our stand toward the Communist Party of Iraq and the Soviet Union. Therefore we reject that this or that should have any involvement in drawing up our internal policy."

Moscow's latest effort to improve the lot of the CPI in Iraq apparently came during Saddam's December 1985 visit to the USSR.

The Soviets convinced Saddam to meet with a CPI Central Committee member. Saddam offered amnesty to CPI members who would agree to return from exile but on terms that would severely hamper CPI political activity. The CPI official was inclined to accept the offer, but General Secretary Muhammad is adamantly opposed to reconciliation with Saddam. Thus, the Soviets may have as hard a task getting the CPI to unify and come to terms with Baghdad as they have had convincing Saddam to at least consider ending his repression of the party.

Moscow's embargo of arms to Iraq in the early days of the war with Iran has had a lasting effect on Iraqi views of the Kremlin.

Libya's provision of Soviet surface-to-surface missiles to Iran in 1985 heightened Baghdad's mistrust of Moscow.²⁴ Foreign Minister 'Aziz told US officials that Iraq has complained repeatedly to the Soviets. Although Gromyko assured 'Aziz in March 1985 that Moscow had issued a stiff warning to Qadhafi, Iraqi officials were skeptical that the Soviets would press Tripoli very hard.

Beyond the policy differences and the mistrust, the USSR's interests in Iraq are limited by its relationship with Syria and desire for influence in Iran. Moscow has long sought a reconciliation between Baghdad and Damascus with no success. The Soviets' stake in Syria prevents them from moving too close to Iraq, although, as Soviet officials have made clear in the past, Moscow will not give up its influence in Baghdad simply to please the Assad regime.

In the long run, the Soviets see Iran as more important than Iraq. He stated that, although Moscow hopes to avoid having to make the choice, it was prepared, if forced, to sacrifice its influence in Iraq for the chance to gain influence in Iran. Although the diplomat may have been exaggerating for effect, the Intelligence Community has long held that the Soviets see Iran as the greater strategic prize.

²⁴ Iran fired some of these missiles into Baghdad in the spring of 1985 and resumed firing in August 1986.

During the rest of the decade, the Soviet-Iraqi relationship is likely to remain a wary one, based almost solely on the arms supply link. Moscow might become even more cooperative in the quality, quantity, and financing of arms supplied to Iraq to counter Baghdad's growing ties to the West, particularly the United States. Such a Soviet step would be more likely should the war with Iran end,²⁷ which would ease Iraq's acute need for Soviet weaponry and allow it the breathing space to shift to greater dependence on Western suppliers—a move under way before the war began.

If Saddam were to die or be ousted, the effect on the relationship would depend upon the nature of the regime that replaced him. From Moscow's standpoint, only an Iranian-dominated Shi'a regime or a more Western-oriented leadership would be worse alternatives than Saddam. If Saddam were simply replaced by his chief lieutenants, which is the most likely scenario, chances are they would share his distrust of the Soviets, although they probably would not allow this to dominate Iraqi policy toward the USSR. The Kremlin might seek to ingratiate itself with the new leaders by offering better credit terms on arms purchases as well as some of the more advanced weaponry it has been reluctant to provide, and possibly intelligence and security support to help maintain them in power. The relationship might become less acrimonious in this case but would probably not differ markedly from that which prevails under Saddam.

Algeria.²⁸ The USSR has valued Algeria as an influential member of the Arab community and Third World and as a country developing along an "anti-imperialist" and "progressive" socialist path. Although the Soviets largely stayed aloof from Algeria's struggle for independence from France during 1954-62, they developed a close relationship with Algiers under its first two leaders, Ben Bella and Houari

²⁷ See pages 12-13 for a discussion of Iran-Iraq war scenarios.

²⁸ For a more extensive discussion of Soviet-U.S. ~~Algerian~~ **AMERICAN RELATIONS** [

Boumediene. Algeria purchased virtually all of its military equipment from the Soviet Union and its East European allies, and Moscow and Algiers saw eye to eye on most international issues. The relationship reached its peak in the 1970s, when Boumediene met with the Soviet Ambassador on almost a weekly basis and party-to-party contacts were frequent.

Even under Boumediene, however, the Soviets were unable to develop the kind of influence in Algeria that they had, for example, in Egypt in the late 1960s. The Algerians maintained a certain distance and fiercely guarded their independence [

Since President Chadli Bendjedid came to power in 1979, the Soviet-Algerian relationship has become steadily more distant, and Moscow has been unable to reverse the trend. The Soviets clearly preferred Bendjedid's leftist rival, Mohamed Salah Yahiaoui, as a replacement for Boumediene, who died in December 1978, and they do not trust Bendjedid [

It is from that [unclear] support for Yahiaoui has to undo Bendjedid's attitude toward Moscow. [

and great steadily decline in Soviet-Algerian relations over the past few years is a result of Algiers's displeasure with Moscow's unwillingness to provide "full military support" and its attempts to influence Algerian foreign policy. In addition, the Algerians

Factsheet on Soviet-Algerian Relations

Soviet Ambassador: Vasilij Taratutu (assumed post in April 1983)

Algerian Ambassador: Abdel Madjid Allahoum (assumed post in October 1984)

**Estimated Number of Soviet Personnel
in Algeria (excluding dependents)**

Diplomatic *	80
Military advisers and technicians	800
Economic advisers and technicians	6,000
Total	6,880

**Estimated Number of Algerian Personnel
Receiving Military Training in USSR**

1980	NA
1981	NA
1982	200
1983	300
1984	100
1985	100

Soviet Trade With Algeria (million US \$)^b

	Exports	Imports	Total
1975	156	187	343
1980	143	96	239
1981	157	117	274
1982	183	64	247
1983	217	16	233
1984	175	180	355
1985	138	328	466

**Soviet Economic Credits/Grants Extended
(million US \$)**

1975	0
1980	315
1981	300
1982	0
1983	250
1984	0
1985	340

Military Sales (million US \$)

Facilities Used by Soviet Military

None

* All officials—political, economic, military, intelligence—who work in the Embassy and Consulates (Annaba and Oran), as well as media and trade representatives.

^b From official Soviet statistics, which do not include all military trade.

resent the USSR's willingness to provide their rival, Libya, with large amounts of sophisticated weapons. Bendjedid has:

- *Lessened Algeria's overwhelming dependence on the USSR for arms.* Algiers has begun to purchase major weapon systems from Western countries, and the level of Soviet arms deliveries to Algeria has dropped off markedly since 1982, although a reported new arms deal signed this spring would reverse this decline.
- *Sharply reduced the number of Soviet military advisers and technicians in Algeria.* From a high of 1,500 in 1981, the presence is now down to approximately 800.
- *Curtailed regular consultations with the Soviets.* The visit by the Algerian President to the USSR this spring was only his second since assuming office, and he has not followed Boumediene's practice of frequent meetings with the Soviet Ambassador. The "privileged dialogue" the Soviets enjoyed with senior levels of the FLN under Boumediene was a thing of the past.
- *Dropped many senior-level pro-Soviet Algerian officials.* The Algerian President replaced them with people who support his policy of lessening dependence on the USSR.
- *Begun to modify Algeria's "socialist" economy.* This has included some decentralization, expansion of the private sector, encouragement of foreign

investment, and a shift of emphasis from heavy to light industry. These policies were reflected in the FLN's revision of the Algerian national charter in December 1985. Soviet officials have commented:

That the new charter represents a step backward of 10 years in the building of socialism in Algeria.

The Soviets are seeking assurances from FLN officials that Algeria will continue to adhere to socialist economic practices.

- *Improved relations with Western countries.* The Algerian President's more positive relationship with the United States appears to worry the Soviets the most.

The Soviets have exerted considerable effort to stem Algeria's drift away from the USSR under Bendjedid, especially over the past two and a half years. The Kremlin has sent a host of high-level officials to Algeria to shore us time (see inset).

Marshal Ogarkov, then Chief of Staff of the Soviet Armed Forces, hoped

High-Level Soviet-Algerian Contacts, 1984-86

<i>May 1984</i>	<i>Shevardnadze—then Georgian party chief and a candidate Politburo member—represents the USSR at the congress of the Afro-Asian Peoples' Solidarity Organization (AAPSO) in Algiers. Received by Bendjedid.</i>
<i>September 1984</i>	<i>Gromyko—then Foreign Minister—and Algerian Foreign Minister Ibrahimi meet while in New York for opening of fall session of United Nations General Assembly.</i>
<i>October 1984</i>	<i>Ponomarev—then candidate Politburo member and Chief of the CPSU Central Committee's International Department—has talks in Algiers with senior FLN and Algerian Government officials. Received by Bendjedid.</i>
<i>November 1984</i>	<i>Soviet candidate Politburo member Demichev has talks in Algiers with Minister of Culture and with senior FLN official Messaadia.</i>
<i>December 1984</i>	<i>Admiral Gorshkov—then Commander in Chief of the Soviet Navy—has talks in Algiers with senior Algerian defense and other government officials.</i>
<i>July 1985</i>	<i>Algerian Navy Commander in Chief Cherif visits USSR and has talks with Admiral Gorshkov.</i>
<i>August 1985</i>	<i>Algerian Prime Minister Brahimi has talks in Moscow with then Soviet Prime Minister Tikhonov.</i>
<i>December 1985</i>	<i>General Ivanovskiy, Commander in Chief of the Soviet Ground Forces and Deputy Defense Minister, visits Algiers for talks with Algerian military and political leaders.</i>
<i>March 1986</i>	<i>Bendjedid makes his second visit to Moscow as president.</i>
<i>June 1986</i>	<i>Major General Benboucif, then Algerian Army Chief of Staff, visits the USSR and has talks with Soviet military officials.</i>
<i>August 1986</i>	<i>Soviet First Deputy Foreign Minister Vorontsov visits Algiers and has talks with Messaadia and with Algerian Foreign Ministry officials.</i>

Natural gas liquefaction complex in Algeria built with Soviet assistance

during his December 1983 visit to convince the Algerians to abandon plans to purchase arms from the West. Another [] claimed that the visit to Algeria in October 1984 of Boris Ponomarev, then Chief of the CPSU Central Committee's International Department, was prompted by Moscow's concern over Algeria's continuing drift toward the West.

Despite Algeria's slow drift from the USSR, it remains a valuable Soviet friend. It is still strongly nonaligned and anti-Israeli and continues to differ with the United States on many international issues—most important, on how to resolve the Arab-Israeli conflict. The relationship with Algiers also provides Moscow with influence in North Africa beyond its ties to the mercurial Qadhafi regime. The Soviets, moreover, continue to earn valuable hard currency from arms sales to Algeria and still have more economic advisers and technicians there (approximately 6,000) than in any other less developed country. Whatever Bendjedid's long-term plans are, they will be heavily influenced by the fact that Algeria's armed forces remain overwhelmingly Soviet equipped.

[] that they believe Algeria's growing economic problems and concern about the intentions of Morocco and Libya will oblige Bendjedid to curtail his economic liberalization, distance Algiers from Washington, and strengthen ties to

Moscow. We believe, however, that the carefully planned nature of Bendjedid's policy changes indicate they are unlikely to be reversed while he remains in power. The broad-based support within the FLN for Bendjedid's shift away from the USSR makes it likely that the policy would even survive his departure. Thus, the Soviets almost certainly will not be able to restore the relationship during the rest of the decade to the closeness that characterized it under Boumedienne. This represents an important setback to Moscow's position in the Maghreb and in the Middle East as a whole.

The PLO. The Soviets, by identifying themselves since the early 1970s with the Palestinian Liberation Organization (see table 3), have attempted to gain:

- Enhanced stature among the Arabs, most of whom regard a country's position on the Palestinian issue as a litmus test of its support for the Arab world.
- An edge with the Arabs over the United States, which does not recognize the organization.
- An added means of leverage on Israel.
- A potential tool with which to hinder a US-sponsored Arab-Israeli settlement and a right to claim for themselves a role in any settlement.
- A source of influence in the region beyond established government.

Moscow, however, has never been comfortable with the ideologically diverse PLO, which depends on support from such conservative, anti-Soviet Arab governments as Saudi Arabia. As one scholar noted in a 1980 study of the Soviet-PLO relationship, the PLO is "far too unstable, uncertain and divided, far less Marxist and yet far too extremist to be Moscow's preferred partner." * Palestinian disunity, in particular, has contributed to the USSR's hesitation to take a definitive stance and has led to its numerous shifts in policy toward the PLO. Despite the PLO's importance

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* Gaila Golan, *The Soviet Union and the Palestinian Liberation Organization: An Uneasy Alliance* (New York: Praeger, 1980), pp. 233-34.

Table 3
Groups Within the Palestine Liberation Organization *

	Leader	Headquarters	Size
Pro-Arafat			
Fatah loyalists	Yasir Arafat	Tunis	6,000 to 8,000 scattered
Arab Liberation Front (ALF)	'Abd al-Rahim Ahmad	Baghdad	300 to 500 in Iraq
Front for the Liberation of Palestine (FLP) *	Muhammad 'Abbas Tunis (Abu al-Abbas)		50 to 100
Neutral			
Democratic Front for the Liberation of Palestine (DFLP) (Marxist)	Nayif Hawatmah	Damascus	1,200 to 2,000 scattered
Front for the Liberation of Palestine (FLP) *	Ta'alar Yaqub	Damascus	Approximately 150
Pro-Syrian			
Palestine National Salvation Front			
Popular Front for the Liberation of Palestine (PFLP) (Marxist)	George Habbash	Damascus	1,500 to 2,000 scattered
PFLP-General Command (PFLP-GC)	Ahmad Jibril	Damascus	800 to 1,000, mostly in Syria and Lebanon
Sa'ira	'Isam Qadi	Damascus	500 to 1,000
Popular Struggle Front (PSF)	Shamir Ghawshah		200 to 300 scattered
Front for the Liberation of Palestine (FLP) *	'Abd al-Fattah Ghannam	Damascus	Approximately 150
Fasah rebels	Sa'id Murqha (Abu Musa)	Damascus	100, mostly in Syria and Lebanon

* The Palestinian Communist Party (PCP) is not a member of the PLO. In recent years, the PCP has cooperated closely with Hawatmah's DFLP. The Abu Nidal faction also is not a PLO member.

* Also known as the Palestine Liberation Front

to Moscow, the fact that it is not an established government allows the Soviets to pursue a more tactical policy toward it.

This tactical flexibility toward the PLO has been especially evident since the Israeli thrashing of PLO forces in Lebanon in 1982. The USSR's cautious reaction to the Israeli action strained Soviet-PLO

relations. Ties between Moscow and Arafat have been further complicated by the Soviet unwillingness to take forceful action to convince Syrian President Assad to abandon his efforts since 1983 to oust Arafat and gain control of the PLO. Although the Soviets have made their displeasure with this Syrian policy known to Assad, they have been careful not to allow the issue to jeopardize relations with their most important ally in the Middle East.

The Leftist Alternative

Moscow has long maintained support for the Palestinian leftists, even while its relations with Arafat were good. The Palestinian Communist Party is the faction closest to the Soviets, but its influence among Palestinians has been limited. The much more influential Democratic Front for the Liberation of Palestine (DFLP)—a Marxist group—has cooperated closely with the Kremlin for years. Former Soviet leader Andropov told a [] Communist leader in 1982 [] that the DFLP is the PLO's purest element—evidently meaning the most ideologically sound. The Popular Front for the Liberation of Palestine (PFLP)—also Marxist—has had its differences with the Soviets because of its more militant stance toward Israel.

It does not appear that the Kremlin views the leftists at this point as a replacement for Arafat. []

Nevertheless, Moscow probably sees the leftists as a corrective influence on the "bourgeois" Arafat and as potential candidates for future leadership of the Palestinian movement. Soviet support for the leftists seems designed to reunite the PLO on a basis that curtails Arafat's ability to pursue talks with Arab moderates, the United States, and—eventually—Israel. Moscow also apparently hopes the leftists can help mend the Arafat-Assad rift.

The Soviets have been torn by conflicting interests in the Arafat-Assad dispute. Although the USSR agrees with some of the criticism directed at Arafat by Assad and the Syrian-backed PLO factions, it does not want to see the PLO come under Syrian control. Such a development would force the Soviets to deal with the Palestinians through fiercely independent Damascus. Arafat's moves in late 1984 to form a joint PLO-Jordanian delegation for peace talks with Israel, however, prompted Moscow to move closer to the position of Syria and Arafat's PLO opponents. The

Soviets' primary reason for opposing the Arafat-Hussein accord was the fear that it might have facilitated US-sponsored talks between the joint PLO-Jordanian delegation and Israel that excluded both Syria and the USSR. [] told PLO political department chief Qaddumi during his visit to Moscow in January 1986 that this would lead to US domination of the Middle East and pose a grave threat to the Soviet Union.

Former Soviet leader Yuri Andropov and PLO leader Yasser Arafat during his last official visit to Moscow in January 1985

The unraveling of the Arafat-Hussein accord in late 1985 and early 1986 has prompted the Soviets and Arafat to once again move closer: Arafat, because he is increasingly isolated; and Moscow, because it evidently senses that Arafat's weak position leaves him no choice but to improve relations with the USSR on its terms. Gorbachev apparently met with Arafat during the East German party congress in April 1986, according to PLO radio and

This was the first time a Soviet leader held talks with the PLO chief since 1983. The Soviets are also stepping up efforts to reunify the PLO. According to Moscow's mediation was responsible for the PLO's decision to send a joint delegation, with representatives of all the major factions, to the 27th Congress of the CPSU in February.

The Soviets, however, do not appear convinced that Arafat has totally abandoned hopes of collaboration with King Hussein

He would not rule out Arafat's future cooperation with Hussein. He also was pessimistic about reconciliation among PLO factions. Moscow's failed attempts in the summer and fall of 1986 to broker PLO unity

The Palestinian issue is likely to remain the central one in the Middle East, regardless of who wins the power struggle within the PLO, and the Soviets will

continue championing the cause. But the PLO's value as a vehicle for advancing Soviet interests in the region probably will remain much diminished. The PLO's internal rifts and feud with Syria put the attainment of Arab unity, which the Soviets consider essential, even further away. It will be difficult for the Soviets to achieve one of their primary goals in the Middle East—a major role in an Arab-Israeli peace conference—without close ties to a strong PLO that cooperates with Syria. Moscow would be unable to parlay its role as a benefactor of the PLO to obtain a seat at such a conference if the mainstream of the PLO remains at odds with Syria and the Palestinians themselves remain badly divided

Friendly Moderates

Moscow has long sought, as a part of its broader Middle Eastern strategy, to cultivate ties to the "moderate" Arab regimes. The Soviets have had their most success with three monarchies (*Jordan, Kuwait, and Morocco*), a military dictatorship (*Mauritania*), and three ostensible parliamentary democracies (*Tunisia, Sudan, and Lebanon*). Although the Kremlin's long-term objective is developing Soviet influence in these countries, its more immediate and realistic goal is eroding US influence. The Soviets have had their setbacks—most notably in Sudan under Nimeiri—but on balance their patient courting has paid some important dividends. Most, if not all, of these countries have:

- Acknowledged publicly that the USSR has an important role to play in the Middle East.
- Endorsed (albeit not necessarily enthusiastically) Moscow's call for an international conference on the Arab-Israeli dispute.
- Muted concerns about Soviet policies, particularly on Afghanistan

The key to Moscow's success has been its identification with the Arab cause, especially on the Palestinian question. The Soviets have also used arms sales to make inroads with some of the "friendly moderates." They signed minor arms deals with Morocco and Lebanon in the 1960s and 1970s and briefly were

Sudan's primary source of arms in the early 1970s. More recently, the USSR has provided Jordan and Kuwait with air defense weapons, capitalizing on the US Congress' reluctance to sell those countries certain arms. Although the Soviets have not sold arms to Tunisia, it is the one "friendly moderate" that allows Soviet naval ships regular access to its ports.¹

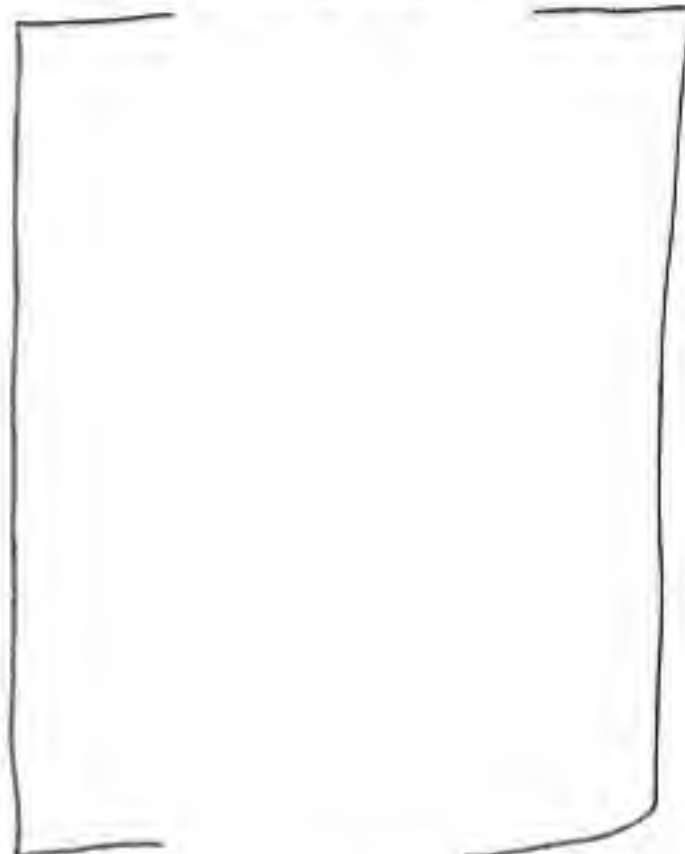
Trade and economic assistance have played only a minimal role in Moscow's relations with these countries. The only exceptions are Morocco, where the Soviets have invested heavily in the development of phosphates and have a profitable fishing agreement, and Mauritania, where they have a similar arrangement to fish in coastal waters in return for helping develop the Mauritanian fishing industry. Recent Soviet discussions with Kuwait on a variety of economic projects are likely to result in Kuwait's joining the list of exceptions.

Lebanon is important to the Soviets because of the Palestinian and Syrian presence and the US interest in it rather than for its intrinsic significance. They do not have major interests at stake there. They have sought influence with both the central government and the various political and religious factions but have never been a major actor. Moscow's closest tie are to the Lebanese Communist Party. The USSR also has a long history of dealings with such minor leftist groups as the Communist Action Organization, the Syrian Social Nationalist Party, and the Murabitun. Since the Israeli invasion of 1982, the Soviets have focused attention on two of the most influential factions, the Druze Progressive Socialist Party (PSP) of Walid Junblatt and the Shia Amal of Nabih Barri. They have become particularly close to the PSP, providing it with the bulk of its arms.

Similarly, the Soviets have attempted—unsuccessfully—to play some role in the international efforts to resolve the Lebanese problem. This has stemmed more from a desire to head off a US-brokered solution and find another entree into Middle Eastern affairs.

¹ The Moroccans apparently are easing their restrictions on Soviet naval visits. A Soviet guided missile frigate and a minesweeper called *al Casablanca* in September, the first such port call in Morocco in a decade.

than from a genuine interest in getting involved in the Lebanese quagmire. Although the Soviets do not want to see Lebanon controlled by Syria, the importance of their relationship with Damascus is likely to prompt them to continue deferring to Syrian interests in Lebanon during the rest of the decade.



it appears that Moscow is also beginning to see an economic rationale for its presence in Kuwait. During the visit to Kuwait in July of Konstantin Katushev, Chairman of the Soviet State Committee for Foreign Economic Relations, the two sides neared agreement on a host of economic deals. According to []

and Kuwaiti newspapers,

such deals include:

- A Kuwaiti loan to the USSR of \$150 million at a favorable interest rate for construction of a natural gas pipeline between the Soviet Union and Greece.

- A swap of oil, whereby Kuwait would provide oil to Soviet customers in Asia and East Africa while Moscow would do the same for Kuwaiti clients in Western Europe.
 - A similar swap involving ammonia deliveries.
 - Kuwaiti assistance in oil refining, exploration, and drilling techniques for joint projects in the USSR.
- The last deal, in particular, could provide Moscow access to advanced oil technology denied to it by the West.

Moscow received a windfall in Sudan with the ouster of the anti-Soviet Jaafar Nimeiri in April 1985. The Soviets dealt cautiously with the transitional regime of General al-Dahab, probably out of uncertainty over its longevity and in deference to the Ethiopians, who strongly opposed the regime. At the same time, the Kremlin stepped up aid to the Sudanese Communist Party and, via Ethiopia, has been providing indirect military support to the Marxist southern insurgent leader, John Garang, and his Sudanese People's Liberation Army (SPLA), according to []

[] Although we believe Moscow's military support is not extensive, the Soviets almost certainly approve of Ethiopia's transfer of its Soviet-supplied arms to the SPLA.

The Soviets probably will continue their current dual-track approach with the new government headed by the Umma Party's Sadiq al-Mahdi. As his August visit to the USSR indicated, Moscow is likely to try currying favor with his government, while keeping a certain distance so as not to jeopardize relations with a possible successor should Sadiq's rule prove short lived. The Soviets may offer to repair Sudan's aging inventory of Soviet arms and possibly sell new weapon systems once they believe Sadiq has consolidated power, provided Khartoum first curtailed assistance to Ethiopian insurgents. Libya's ties to Sadiq could provide the Soviets an opening, but they are likely to tread carefully to avoid a backlash should Qadhafi's intrigues backfire.

Should Sadiq's rule lead to increased instability, or should the SPLA score significant gains, the Soviets would be likely to step up aid to the Communists and to Garang's forces. They would attempt, however, to

disguise such aid to avoid harming relations with Cairo. Egypt is far more significant to Soviet interests in the Middle East than is Sudan, which is likely to remain an economic and political basket case during the next five years regardless of who is in control in Khartoum.

Despite the inroads Moscow has made with the friendly moderates, virtually all maintain good relations with Washington. Morocco, Jordan, and Tunisia retain important military links to the United States. Moreover, all of the friendly moderates remain skeptical about Soviet intentions. Morocco, for example, continues to suspect that the Soviets are aiding the Polisario rebels in the Western Sahara (see inset).

The Soviets are certain to continue their low-cost efforts to woo the friendly moderates away from dependence on Washington. In most cases, Moscow has little to lose, and in those areas—such as Lebanon—where Soviet ties to more important Arab countries impinge, preserving those ties will continue to take precedence. Internal instability in some of these countries is likely to offer Moscow the best opportunities for advancement. Instability in Lebanon

Moscow, Rabat, and the Polisario

The Soviets sympathize with the cause of the Polisario rebels, who are seeking an independent state in the Western Sahara. The Kremlin supports Saharan "self-determination"—as opposed to independence—in international forums and sanctions the transfer of Soviet arms to the rebels by Algeria and Libya. [

the USSR has authorized Algeria to transfer arms that it no longer needs to the Polisario, but not any major systems that might internationalize the conflict in the Western Sahara [

Moscow, however, refrains from direct contact with the Polisario and has neither accorded it the status of a national liberation movement nor recognized the Saharan Democratic Arab Republic (SDAR). Even the staunchly pro-Moscow Moroccan Communist party (the Party of Progress and Socialism) backs the Moroccan Government's claim to sovereignty over the Western Sahara. [

the USSR provides no direct military support and scant humanitarian aid. Cuban officials reportedly [that each time they have

urged Moscow to take a more active role in aiding the Polisario, they have been firmly rebuffed. [

The Kremlin's caution stems from its desire to maintain good relations with Moroccan King Hassan as well as an apparent judgment that the Polisario's chances of establishing an independent state any time soon are slim. In response to a question at a public lecture in 1982 in Moscow as to whether the Soviet Union recognized the SDAR, a Soviet specialist on North Africa from the Academy of Sciences' Africa Institute claimed the issue was "complex" because the Soviets had to "take into account our good relations with Morocco. [

the Soviets believed that Hassan would maintain normal relations with the USSR to ensure that it would not step up aid to the Polisario. [

and Sudan during the past three years already has eroded US influence and brought in regimes much more willing to deal with the Soviets than their predecessors had been. Domestic unrest in Morocco and Tunisia is likely to grow over the next few years, potentially providing the USSR with fertile ground to expand its influence or at least undermine that of the United States. And in Mauritania, where a military-led coup occurred in 1984, the chronic instability of the central government may eventually offer the Soviets opportunities in that far-off corner of the Middle East. [

Wary Moderates

The only states the USSR does not have diplomatic relations with in the Middle East are the Persian Gulf

monarchies of *Qatar, Bahrain, and Saudi Arabia*.¹² The Soviets scored their first breakthroughs in the region in years in the fall of 1985, when they established relations with *Oman* and the *United Arab Emirates* (UAE). [

Moscow's primary objective in the Persian Gulf region, in our view, is the elimination of the US military presence. Soviet propaganda incessantly criticizes the conservative Gulf countries for cooperating militarily

¹² Neither the Soviets nor the Saudis ever formally severed diplomatic relations when Moscow withdrew its embassy from Saudi Arabia in the late 1970s. Thus, technically they still have relations, but in fact there have been no ties for almost 30 years. [

Israel

The USSR's relationship with Israel has been a paradoxical one. Since as far back as Lenin, Soviet Communists have intensely distrusted Zionism, which they regard as reactionary and "bourgeois" despite its socialist element. Nonetheless, the Soviets were among the first to recognize the new Jewish state in 1948; but they have severed relations with it twice since then, in 1953—for five months—and in 1967. Israel's existence and US support for it have provided the Soviets their best entree for influence in the Arab world; yet their self-inflicted inability to talk with Israel has put them at a distinct disadvantage vis-a-vis Washington—which has influence with both sides of the Arab-Israeli conflict.

The presence of over 2 million Jews in the Soviet Union, many of whom desire to emigrate, and the fact that Israel sees the protection and eventual emigration of Soviet Jews as a vital national interest add a volatile factor that is not present in the USSR's relationship with most other countries. The interest of American Jews and the US Government in the plight of Soviet Jews has had repercussions in US-Soviet relations. The collapse of the deal between Washington and Moscow in January 1975 that would have given the Soviet Union most-favored-nation trading status was a direct result of the Congress' Jackson-Vanik amendment, which required that the Soviets let a certain number of Jews leave each year—a pledge the Kremlin refused to make.

Moscow, in addition, has to factor into its Israeli policy the strong US commitment to the existence of Israel and the increasingly close security relationship between Washington and Tel Aviv. The Soviets have displayed concern over the US-Israeli "strategic cooperation" agreement—signed in 1981 but not implemented until 1983—particularly its focus on countering the USSR in the Middle East (see inset).

¹¹ Another irony of Soviet policy toward Israel is that, although Israeli society and policies come under harsher criticism from Moscow than those of any other Middle Eastern state, Israel is the only country in the region where the Communist Party has some influence in the national legislature (it holds four seats in the 20-seat Knesset) and can legally criticize the government.

The US-Israeli Military Relationship

For years, Moscow's propaganda has depicted Israel as a US "gendarme" in the Middle East, and the US-Israeli "strategic cooperation" agreement of 1981 only reconfirmed that view. The USSR's special concern is that the US-Israeli Memorandum of Understanding on strategic cooperation is specifically aimed at countering potential Soviet military moves in the Middle East. One Soviet official, in talks in 1983, said the agreement is "an unprecedented military-political concord in the domain of international relations" because it refers to the Soviet Union as the "officially defined adversary."

The Kremlin also has been worried by the exchange of military technology and know-how between Israel and the United States. The Soviets, for example, issued an official TASS statement in May 1986 condemning Israel's decision to participate in research for the US Strategic Defense Initiative.

Lack of Relations

The Soviets have long acknowledged to US and Israeli officials that it was a mistake to break relations in 1967 at the end of the Six-Day War.

Some Soviets have called the Kremlin's decision to break relations an "emotional act" and others, a rash move "in the heat of the moment."

At the same time, Moscow has continued since 1967 to emphasize that Israel has the right to exist. The Soviets have stated this explicitly in most of their "peace plans" for an Arab-Israeli settlement. Gromyko made one of the most emphatic Soviet

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public statements on this issue in a news conference in Moscow on 2 April 1983, when he declared that: "We do not share the point of view of extremist Arab circles that Israel should be eliminated ... [this is both] unrealistic and unjust."

Within two years of the break in relations, the Soviets were probing for ways to renew ties

During this period, Soviet officials leaked numerous stories about an imminent resumption of Soviet-Israeli relations. In the reverse of today's situation, it was the Israelis who played hard to get and denied in public any movement toward restoration of ties. The Camp David accords in 1978 ended the USSR's courting of Israel, although periodic contacts have continued.

Recent Developments

There has been an increase in Soviet-Israeli contacts since Gorbachev's accession to power. The Kremlin almost certainly approved Poland's agreement with Israel to open interest sections in Warsaw and Tel Aviv. One of the most significant Soviet steps was the decision to meet with Israeli officials in Helsinki in August 1986 to arrange for a Soviet consular delegation to go to Israel to review the operation of the Soviet interests section run by the Finnish Embassy and handle some consular matters. Although the Soviets abruptly ended the meeting when the Israeli side attempted to discuss Soviet Jewry and demanded that an Israeli delegation be allowed to go to Moscow, the meeting served as a signal to the Arabs that the USSR has the ability to develop its own independent

policy toward Israel. Foreign Minister Shevardnadze's meeting with then Prime Minister Peres, at the latter's request, in September at the United Nations reiterated the point, even though Moscow went out of its way to criticize Israeli positions in its media coverage of the meeting.

The Balance Sheet From Moscow's Perspective

When Soviet leaders weigh the merits of resuming ties to Israel, they probably calculate that, on the credit side, reestablishing relations would provide an entree into Arab-Israeli negotiations from which they have been excluded since 1973. Specifically, Moscow would hope to convene its long-proposed international conference. Israeli (as well as US) opposition has been the biggest obstacle to holding such a gathering. Such a step would probably also improve the atmosphere in US-Soviet relations and possibly even lead to an easing of US restrictions on trade with the USSR.

On the debit side, reestablishing formal ties would alienate Moscow's Arab friends, most importantly the Syrians and Palestinians. Gromyko cited this as the primary reason for not taking this step when

* The foreign ministers met—on Israel's request—at the opening sessions of the UN General Assembly in 1981 and 1984; Shevardnadze met then Prime Minister Peres at the 1986 session; and Soviet and Israeli ambassadors in the major capitals meet occasionally. In addition, each May on the anniversary of the victory over Nazi Germany, Moscow sends a Jewish delegation to Israel and Israeli leftists go to the USSR.

broached the
Syrian

opposition prevented the USSR from restoring ties to Israel any time soon. More recently, Shevardnadze

retorted that the USSR could not abandon its principles and must consider how its friends might react.

Moscow's concern about Syria's reaction appears to be well founded. President Assad's spokesman said in a public statement in November 1985 that "nothing justifies" the resumption of Soviet-Israeli relations as long as Israel continues to occupy Arab territories. Syria's severance of diplomatic relations with Morocco in July 1986 for hosting a visit by Peres indicates the intensity with which Damascus regards the issue.

Moscow could argue with its Arab allies that having relations with the Israelis will give it leverage over Tel Aviv, which could be used to obtain a favorable peace settlement. It is doubtful, however, that the Soviets would gain such leverage or that the Arabs would be placated by Moscow's argument. Israel has not been willing in the past to compromise on vital issues in return for better treatment of Soviet Jews and is unlikely to begin doing so simply because it has diplomatic relations with the USSR. Gromyko made this point in 1976, as did Vladimir Polyakov, chief of the Foreign Ministry's Near East and North Africa Administration, in talks with US officials in June 1986.

Some in Moscow would probably argue that the Arabs have nowhere else to turn and thus would have to acquiesce in a Soviet move to renew relations, no matter how distasteful. Most Soviet officials, however, probably are not that confident about the USSR's position with the Arabs. They are likely to worry that the damage in relations with the Arabs would be deep and lasting, possibly even severe enough to convince some—such as the Syrians and Palestinians—that there was no choice but to throw in their lot with the United States, as Egypt did, to get the best available deal with the Israelis. At the same time, these Soviets probably would argue that restoring relations is likely to encourage the moderate Arabs to reach an accommodation with Israel.

An added complication for the Soviets in restoring ties would be the opening of an Israeli Embassy in Moscow that would be a magnet for "refuseniks" (Soviet Jews who have applied to emigrate but have not been allowed to leave) and the Soviet Jewish population in general.

Moscow in 1974 that this would be a serious problem for the Soviets requiring firm guarantees from Israel limiting the activities of an Israeli Embassy in Moscow.

Prospects

Israeli flexibility on an international conference and the level of tensions between Israel and Syria are likely to determine the pace of Soviet moves to normalize relations, regardless of whether the hard-line Likud or the more moderate Labor Party is in power. It would be difficult for the Soviets to convince Syria of the necessity for renewed Soviet-Israeli relations if Israel continues to hold to its current positions on the Palestinian question and the Golan Heights or new Syrian-Israeli hostilities erupt. Moscow's officially declared position is that relations will not be restored until Israel returns all of the lands seized in 1967, but we believe it is likely to take further steps toward better ties even without such Israeli concessions.

The Soviets probably will move very gradually to give the Arabs time to get used to the idea of better Soviet-Israeli ties before reestablishing full diplomatic relations. And Likud leader Shamir's scheduled tenure as prime minister until late 1988 is likely to hinder progress in Soviet-Israeli relations. It appears, however, that the Gorbachev foreign policy team—possibly prodded by CPSU International Department Chief Dobrynin, who reportedly has long favored restoring ties—is determined to find a way to correct the blunder Moscow made in 1967 by breaking relations.

An easing of tensions between Moscow and Washington will not automatically lead to improvement in Soviet-Israeli relations, but the last serious Soviet

efforts to improve ties occurred during the heyday of detente. The Kremlin probably would hope that one benefit from improved US-Soviet relations would be cooperation on issues such as the Arab-Israeli conflict.

The Gorbachev regime's view of the USSR's internal security—specifically, the extent to which dissent and emigration are to be tolerated—also will color its policy toward Israel. If Gorbachev continues his current tough policies toward Soviet Jews, this probably would indicate that he has no real intention of softening the Soviet position on Israel.¹⁸ On the other hand, an easing of restrictions on Soviet Jews would not necessarily mean Moscow was planning to reestablish ties to Israel. Such a liberalization could be directed more at influencing policy in Washington than in Israel.

The Northern Tier

Iran

Just as Egypt is the key Soviet target of opportunity in the Arab world, so Iran is in the northern tier. Its size, location, and oil wealth give it key significance in Soviet strategy toward the Middle East. Although we assume Moscow's ultimate goal has been and remains the establishment of a pro-Soviet regime in Tehran, its more immediate concern has been to prevent its adversaries from achieving predominant influence there. Soviet concern over British and German ascendancy in Iran and how those powers might use their position in the country to threaten the USSR played a role in prompting the Soviet occupation of parts of northern Iran in 1920-21 and again from 1941 to 1946. The Shah's overthrow in 1979 ended a period of more than 30 years during which the Soviets faced an extensive US presence in Iran. Capitalizing on this strategic windfall has been Moscow's primary aim in Iran.

¹⁸ Although Gorbachev (and disident) Anatoly Shchegolev, who has served in Israel, he has not eased up on overall Jewish emigration. The number of Jews allowed to leave the USSR in 1986 is running at a rate that would put the year-end total lower than any year since 1970. In addition, Gorbachev's regime has stepped up its repression of Jewish "refuseniks."

The Soviets have had almost no success in replacing US influence in Iran with their own. Soviet-Iranian relations have deteriorated sharply since 1982, when Moscow abandoned its efforts to court Ayatollah Khomeini's regime and tilted toward Baghdad in the war between Iran and Iraq. Since 1984 Tehran has shown signs of desiring a halt to the slide, but Moscow has not been convinced of the Khomeini regime's sincerity and has maintained a tough posture toward Iran. Soviet media criticism of Iranian policies continues almost unabated.¹⁹ The visit to Tehran in February of then First Deputy Foreign Minister Korniyenko was the highest level Soviet visit to Iran since the Shah's fall, but by most accounts neither side showed a willingness to compromise on the basic issues dividing them. Similarly, the visits to the USSR in the summer of 1986 by two Iranian ministers, despite the positive handling in both sides' media, yielded few results—save, perhaps, in the energy sphere (see page 57).

Despite this lack of success, the Soviets probably are satisfied that Washington also has not been able to reestablish itself in Iran. Concern that the United States will do so has evidently been high in Moscow.

¹⁹ Moscow may have slightly softened its stance by stopping in September the obscuring of the "National Voice of Iran" (NVOI), a radio station that has broadcast in Persian and Azeri in Iran out of Baku in Soviet Azerbaijan since 1939. The significance of this step, however, is undercut by the fact that the Moscow-controlled Tudeh (Communist) party continues to broadcast anti-Khomeini propaganda to Iran from a radio station in Kabul, Afghanistan—Radio of the Iranian Toilers.

For example [

] Iran was increasingly turning to Western technology and that its leaders were at heart oriented toward the Western economic system. This theme is expressed more directly in Soviet scholarly and journalistic writings on the Islamic regime. For instance, Soviet media gave extensive coverage to the US acknowledgment in November that it had secretly provided some arms to Iran. [

] the Soviets viewed with considerable concern the possibility that the United States would take military action to restore its position in Iran. He said the USSR's primary goal in Iran is to prevent the United States from regaining influence

Policy Differences. The trend in Soviet policy toward Iran since 1982 and the continued hostility of Khomeini toward the USSR strongly suggest that there will be no significant improvement in bilateral relations as long as the Ayatollah remains in power. Beyond the basic ideological differences separating the two regimes and Iran's traditional fear of its powerful northern neighbor, the issues hindering better relations today are:

- Moscow's military support for Iraq.
- The continuing Soviet occupation of Afghanistan and Iran's support for the Afghan rebels.
- Tehran's occasional hostile treatment of Soviets accredited to Iran and Moscow's withdrawal in 1984 and 1985 of most of its economic advisers and technicians from Iranian industries.
- The Khomeini regime's repression of the Tudeh Party.
- The public criticisms the two sides exchange in their media.

The first two issues are the most significant and the ones on which changes in Soviet and Iranian positions are least likely over the next few years. Moscow has gone to great lengths to improve its position in Iraq

Soviet Reassessment of the Iranian Revolution

An article in the July 1982 edition of the CPSU journal *Kommunist* was a landmark in the Soviets' reappraisal of the Iranian revolution. The author, Rostislav Ul'yanovskiy, a deputy chief of the CPSU Central Committee's International Department and one of the USSR's senior specialists on the Third World, stated that the fundamentalist clerics' consolidation of power in the summer of 1981 marked the end of the revolution's "genuinely people's antiimperialist" nature and the beginning of an "illusory" quest for an Islamic "third path" between capitalism and socialism.

Ul'yanovskiy claimed the February 1979 revolution was "bourgeois democratic" and could have moved in an "anticapitalist" (that is, pro-Soviet) direction. Unfortunately, he lamented, the complete triumph of the Shia clergy stifled the revolution's "progressive" tendencies:

The more the new organizations's power with its specifically Islamic features strengthened, the more rapidly the foundations of the revolution as a truly people's antiimperialist and democratic revolution were eroded.

The article was a rationalization and, at the same time, a confirmation of the negative shift in the USSR's view of Khomeini's Iran. Articles and books by Ul'yanovskiy and others emphasizing the same themes in even more strident terms continue to appear in Soviet media.

since 1982 and, as long as the war continues, is not likely to lessen its military support for Baghdad unless a clear prospect for major Soviet gains in Iran were to arise. The Soviets are not likely to pull out of Afghanistan entirely any time soon, and the Iranians are becoming bolder in their support for the rebels. Soviet media in February criticized Tehran for sending a clerical delegation into Afghanistan to meet

Table 4
Soviet-Iranian Trade

Million US \$

	Soviet Imports From Iran	Soviet Exports to Iran
1975	317	391
1980	116	399
1981	653	367
1982	260	795
1983	509	755
1984	298	297
1985	163	245

Source: Soviet trade statistics, rounded to nearest million US dollar.

with rebels and claimed "the Iranian officials' intervention in Afghanistan's domestic affairs is becoming more blatant and overt."

Iranian Deputy Foreign Minister Larijani's talks with Soviet officials in Moscow in August yielded no meeting of the minds on Afghanistan. And, in December, *Izvestiya*, in one of the hardest hitting public Soviet criticisms of the Khomeini regime to date, accused it of cooperating with the United States in an "undeclared war" against the Marxist government in Afghanistan and in denigrating the USSR's "international assistance" to the Najib regime.

Possible Areas for Improvement in Relations. Even without movement on these issues, however, a lessening of the current high state of tensions is possible while Khomeini is in power.

Tehran's primary goals are to lessen Soviet military support for Iraq and convince Moscow to sell Iran major weapon systems. Although the Soviets have dragged their feet in responding to Iran's overtures, and bilateral trade in 1985 dropped to its lowest level since the early 1970s (see table 4), economic discussions are continuing. Both governments have indicated that some Soviet economic advisers and technicians are likely to return to Iran in the near future. Iran's Minister of Petroleum claimed after his August 1986 visit to Moscow that the two sides would conduct a three-month study to assess the possibility of resuming Iranian natural gas exports to the

USSR.¹⁰ Tehran terminated such deliveries in 1980 because of difficulties over pricing. Even if the two could agree on pricing, refurbishing the IGAT I pipeline would take six months to a year.

The Soviets also might be willing, in return for Iranian concessions on other issues, to increase their arms sales to Tehran. Moscow already has allowed its East European allies to boost arms sales to Iran. Such sales increased by a factor of six in 1984

but dropped off again in 1985 (see

figure 7)

systems probably stems from two factors: they do not want to enable Iran to expand the war, and they want to avoid antagonizing Iraq.

¹⁰ The Soviets have made no public mention of such an agreement.

not been a major factor in Iranian politics since the 1940s, and its ability to operate in Iran has been drastically reduced since the Khomeini regime declared the party illegal in 1983 and arrested many of its leaders, who remain in jail. The remnants of the party leadership fled to the Soviet Union and Eastern Europe and elected a new general secretary, Ali Khavari, to replace the imprisoned Nureddin Kianuri. The party's membership, which—according to []—totaled no more than 1,000 in 1982, almost certainly has dwindled further.

After Khomeini. Although the Soviets are unlikely to soften their stance on Iran significantly as long as Khomeini is in power, they probably would mount a major effort to court a successor regime even if it were run by other fundamentalist clerics—the most likely development. (Khomeini is around 87 and reported to be in failing health.) If the new regime adopted a less hostile policy toward the USSR than Khomeini's, the Soviets would be likely to follow a policy of inducements aimed at improving state-to-state relations and, ultimately, increasing Soviet influence in Iran. They tried this for three years before giving up on Khomeini.

Should a successor regime prove to be as anti-Soviet as Khomeini's or, on the other hand, should a major power struggle ensue, Moscow almost certainly would use the potential levers it has both inside and outside Iran to promote the establishment of a pro-Soviet regime in Tehran. Ideally, the Kremlin would hope for a regime headed by the staunchly pro-Soviet Tudeh (Communist) Party. The Tudeh, however, has

The Soviets presumably recognize the Tudeh's weakness, and they have been calling for a united front of leftists (including the Fedayeen-e Khasi, Mujahedin-e Khasi, and Paykar parties) and disaffected minorities (see inset). Not all of these groups, particularly the strongest—the Mujahedin—are interested in cooperating with either the Tudeh or the Soviets, however, and the prospects for such a united front seizing power or even wielding major influence are likely to remain slim for some time to come.

Moscow has two other levers—economic and military—with which to influence Iran. Iran's need for Soviet assistance in operating key components of the steel and power industries has already been noted. In addition, approximately 13 percent of Iran's imports currently transit Soviet territory, according to Iranian trade data. A Soviet ban on this transit trade would

Moscow and Iran's Minorities

The Soviet Army helped install the short-lived leftist, separatist regimes in Iranian Azerbaijan and Kordestan in 1945, and Moscow has maintained relationships with the Azerbaijani and Kurdish Democratic Parties, which remain influential in their respective regions (see foldout figure 12 at the back). The Soviets have spoken out openly since 1982 for Kurdish autonomy, and the media in the USSR's own Azerbaijani Republic often issue veiled calls for "reunification" of Soviet and Iranian Azeris. In addition, reports [

] suggest that the Soviets maintain some contacts in Iranian Baluchistan, and Soviet media occasionally call for autonomy for the Baluch [

that the Soviets were not backing the minorities out of concern that instability in Iran would be likely to bring about Western intervention [that they would much prefer influence over a unitary Iran rather than full control over fragments of the country

We believe concern about Western intervention will continue to shape Moscow's policy toward Iranian minorities as long it views the regime in Tehran as antagonistic toward Washington. Should an Iranian government begin to turn back toward the United States, the Soviets probably would try to stir up the minorities on the assumption that instability is preferable to an Iran that is again in the US camp.

create economic hardships for Iran, but almost certainly not enough to force it to alter its basic policies. Moreover, by wielding such a lever, Moscow risks pushing Tehran closer to the West out of economic need

Military Pressure. The presence of substantial Soviet military forces in the southern USSR and Afghanistan gives Moscow its most powerful potential lever

over Iran (see foldout figure 13 at the back). The Soviets have 28 divisions (26 motorized rifle, one tank, and one airborne) in the three military districts north of Iran and the equivalent of five or six divisions in Afghanistan. The divisions in the Turkestan, Transcaucasus, and North Caucasus military districts are among the least-well-equipped Soviet forces in the USSR's border regions. We believe, however, that these forces are sufficient, if mobilized, to mount either a limited or full-scale invasion of Iran on relatively short notice without substantial reinforcement from Soviet forces opposite NATO or China."

The Soviets have also been developing contingency plans since 1980 for military campaigns in Iran and the Persian Gulf region. In August 1980 [

following the Shakhin Shahr the Soviet General Staff completely reevaluated contingency plans for Soviet military intervention in Iran. [claimed in 1982 that the USSR maintained detailed contingency plans for a "complete" takeover of Iran. In addition [indicates that Moscow has created a theater-level military command for the Southwest Asia region—the Southern Theater of Military Operations

Any of the following developments, in our view, probably would lead the Soviets to consider military intervention in Iran:

- Moscow perceived that the United States was itself preparing to intervene.
- Central power in Iran broke down and the country began to fragment.

* We believe that a full-scale invasion of Iran would require some 20 Soviet divisions and at least a month of preparation. Alternatively, an invasion with a limited objective such as Azerbaijan could be launched by about five to seven divisions after just two to three weeks of preparation. [

Treaty of Friendship Between Persia and the Russian Soviet Federated Socialist Republic, Signed at Moscow, 26 February 1921

Article 5

The two high contracting parties undertake

(1) *To prohibit the formation or presence within their respective territories of any organizations or groups or persons, irrespective of the name by which they are known, whose object is to engage in acts of hostility against Persia or Russia, or against the allies of Russia. They will likewise prohibit the formation of armed troops within their respective territories with the aforementioned object.*

(2) *Not to allow a third party or any organization whatever it be called, which is hostile to the other contracting party, to import or to convey in transit across their countries material which can be used against the other party.*

(3) *To prevent by all means in their power the presence within their territories or within the territories of their allies of all armies or forces of a third party in cases in which the presence of such forces would be regarded as a menace to the frontiers, interest, or safety of the other contracting party.*

Article 6

If a third party should attempt to carry out a policy of usurpation by means of armed intervention in Persia, or such power should desire to use Persian territory as a base of operations against Russia, or if a foreign power should threaten the frontiers of Federal Russia or those of its allies, and if the Persian Government should not be able to put a stop to such menace after having been once called upon to do so by Russia, Russia shall have the right to advance her troops into the Persian interior for the purpose of carrying out the military operations necessary for its defense. Russia undertakes, however, to withdraw her troops from Persian territory as soon as the danger has been removed.

- A leftist faction seized power and appealed to the USSR for help."

Although the USSR has the capability to intervene militarily, the decision to intervene would be an agonizing one. Even a limited intervention into Azerbaijan would face fierce Iranian resistance and major terrain and logistic problems. A US military response would be difficult in this scenario, but Soviet leaders probably would judge there would be a strong likelihood of a US move to occupy parts of southern Iran.

A full-scale invasion would present exponentially greater operational difficulties and risks of a major confrontation with the United States. Such a campaign would be on a scale larger than any the USSR has waged since World War II. In the best of circumstances—limited Iranian resistance and no US intervention—we believe it would take Soviet forces six to 12 weeks to seize the oil-rich Khuzestan region on the Persian Gulf littoral. Soviet leaders would anticipate that a full-scale invasion of Iran would prompt a major US military response. [

] claimed the Soviets were well aware of the serious risks of such a confrontation.

Afghanistan

Ever since Russia's expansion into Central Asia in the 19th century, Afghanistan had been a buffer between the Russian, then Soviet, domains and South Asia, controlled until 1947 by the British. Moscow's invasion of December 1979 changed Afghanistan's status from that of a buffer to a potential integral part of the Soviet imperium. The invasion not only marked the

* If the Soviets were to intervene, they would be likely to cite Articles 5 and 6 of their 1921 Treaty of Friendship with Iran as legal justification for any intervention, just as they did in 1941. Article 6 states that should a third party intervene militarily in Iran or use Iranian territory as a base of operations against the USSR "Russia shall have the right to advance her troops into the Persian interior for the purpose of carrying out the military operations necessary for its defense." The Shah unilaterally abrogated Articles 5 and 6 of the treaty in 1959, and the Khomeini regime reiterated the abrogation in November 1979. The Soviets have ignored the Iranian moves and still speak publicly and privately of the entire treaty being in force.

USSR's first occupation of a Middle Eastern country since the withdrawal of Soviet forces from Iran in 1946, but also the first expansion of Soviet control in the region since the reconquest of Central Asia during and after the 1918-21 civil war. In addition, the invasion rescued the only Marxist regime—other than the one in South Yemen—in the Middle East.

The Soviets' occupation of Afghanistan has enhanced their ability to exercise influence beyond Afghan borders. They are in a better position to put military pressure on Iran and Pakistan. Thus far, Moscow has conducted only limited raids from Afghanistan into Pakistan and Iran against Afghan insurgent targets, and Soviet forces in Afghanistan as now constituted do not pose a major military threat to Pakistan or Iran. Moreover, before the Soviets could effectively use their presence in Afghanistan as a staging base for large-scale military operations beyond Afghan borders, they first would have to quell the insurgency and make massive logistic improvements (roads, airfields, fuel lines, communications). Nonetheless, Iran now faces Soviet forces on two flanks, Pakistan has to contend for the first time with a Soviet military presence on its border, and Soviet tactical airpower

has the potential to move some 400 kilometers closer to the Strait of Hormuz.

At the same time, the Soviets' invasion and continuing occupation of Afghanistan has had negative repercussions for them in the region and beyond. The occupation of a Middle Eastern, Islamic, and nonaligned nation has sparked resentment against Moscow from each of these constituencies (most Middle Eastern states are members of all three). Even some of the Soviet Union's friends in the region, such as Syria, Iraq, Algeria, and the PLO, were disillusioned by the invasion, although—for the most part—they have muted their displeasure. Perhaps even more important, the Soviet move has made some regional states more receptive to an increased US military presence in the region.

The Situation Today: Before the Soviets can even contemplate capitalizing on their military presence in Afghanistan, they must first establish control over the countryside, a goal they appear to be little closer to achieving than when their troops first entered the country in December 1976.

The Soviet Withdrawal

The Soviet leadership has made a decision which I will officially announce today. By the end of 1986, six regiments—one tank regiment, two motorized rifle regiments, and three anti-aircraft regiments—along with their established equipment and weapons will be returned from Afghanistan to the motherland. [Applause] These units will return to the regions of their permanent deployment in the Soviet Union, and in such a way that all those for whom this may be of interest may be easily convinced of this.

—Speech by Mikhail Gorbachev
in Vladivostok, 28 July 1986

Unit	Location Prior to Withdrawal	Withdrawn?	Deception	Status
Tank regiment	Shindand (most tanks deployed elsewhere until early July)	Yes. Ceremony 15 October	✓	7
Original motorized rifle regiment (MRR) with three battalions of armored personnel carriers	Shindand	No		
New MRR with one battalion of armored personnel carriers (APCs) and two battalions of trucks	Shindand (initial elements arrived by 31 August)	Yes. Ceremony 17 October		
Original MRR with two battalions of APCs	Konduz	No		
New MRR with one battalion of APCs and two battalions of trucks	Konduz (initial elements arrived 29 August)	Yes. Ceremony 17 October		
Air defense regiment	Kabul	Yes. Ceremony 19 October	✓	✓
Air defense regiment	Shindand	Yes. Ceremony 21 October		
Air defense regiment	Konduz	Yes. Ceremony 27 October		✓

People living in this city [Konduz] today bid a ceremonial farewell to the last of the six Soviet regiments being returned home in keeping with a joint decision by the governments of the USSR and Afghanistan.

—Moscow TASS in English, 27 October 1986

Over the past two years, the Soviets have attempted to redress the situation by augmenting their forces in Afghanistan, pursuing a more aggressive strategy against the insurgency, stepping up military pressure on Pakistan and Iran, improving training of Afghan military and political cadres, and replacing the Afghan leader. The USSR has some 116,000 men in Afghanistan, up about 30 percent since 1980. Among the most significant additions have been four more battalions of special-purpose forces, more fixed-wing aircraft (up from 75 to 115), and the deployment of a 2,500-man motorized rifle regiment to the Herat region near the Iranian border. None of the units—totaling about 1,800 troops—that Moscow withdrew from Afghanistan in October was critical to the Soviet war effort (see inset)

The more aggressive Soviet pursuit of the insurgents has led to higher than usual casualties on both sides. Although Soviet forces have fought more effectively, and at least some Afghan forces have shown tentative signs of improvement, the regime remains unable to stand on its own.

In for the Long Haul. The Soviets, despite their minor troop withdrawal in October, appear to be prepared for a protracted struggle in Afghanistan.

Throughout the Soviet party, government, and military there is a general resignation to the fact that the USSR would be in Afghanistan for a "generation or more."

Soviet officials often cite the fledgling Bolshevik regime's long fight against the Central Asian Basmachi resistance as an indicator of Moscow's capacity to persevere against the Afghan insurgents. Gorbachev himself made such a comparison.

The Soviet domestic media have given much more extensive coverage to the war during the past two years, which suggests the leadership is trying to prepare the public for a long struggle.

From Moscow's perspective, the costs of withdrawing are high. It said the consequences of a premature withdrawal would be even

A Reason To Hang Tough

The Soviets probably believe that the international costs of staying in Afghanistan are diminishing with time. Despite the continuing broad support for the annual vote in the UN General Assembly calling for the withdrawal of "foreign" troops from Afghanistan, most countries that condemned the invasion or even imposed sanctions against Moscow have returned to business as usual with the USSR. Oriental Institute department chief Gankovskiy told US Embassy officers in August 1985 that US involvement in Afghanistan is a passing whim of the Reagan administration. Although Gankovskiy probably was exaggerating for effect, and the Soviets are still quite concerned with US and other support for the insurgents, on balance most Soviet policymakers probably would agree with his basic point: US involvement is not likely to last indefinitely because Afghanistan is not of vital interest to the United States—as it is to the USSR.

more catastrophic than those of failing to intervene in 1979. It said that those involved in Afghanistan believe that Soviet leaders would see it as "too shameful" to pull out. The Soviet Union's prestige as a superpower would be tarnished.

The ideological rationale for not leaving is also compelling from a Soviet perspective. A major factor behind the initial invasion was the desire to avert the collapse of a Marxist regime. An article published in *Novoye Vremya* shortly after Soviet forces moved in asserted that: "To refuse to use the potential which the socialist states possess [to aid the Afghan Marxists] would mean, in fact, avoiding an internationalist duty." The Soviet Ambassador to France, in a speech in April 1980, said the Soviets could not "permit the transformation of Afghanistan into a new Chile," where the Marxist regime of Salvador Allende was toppled in 1973 and the Soviets were powerless to

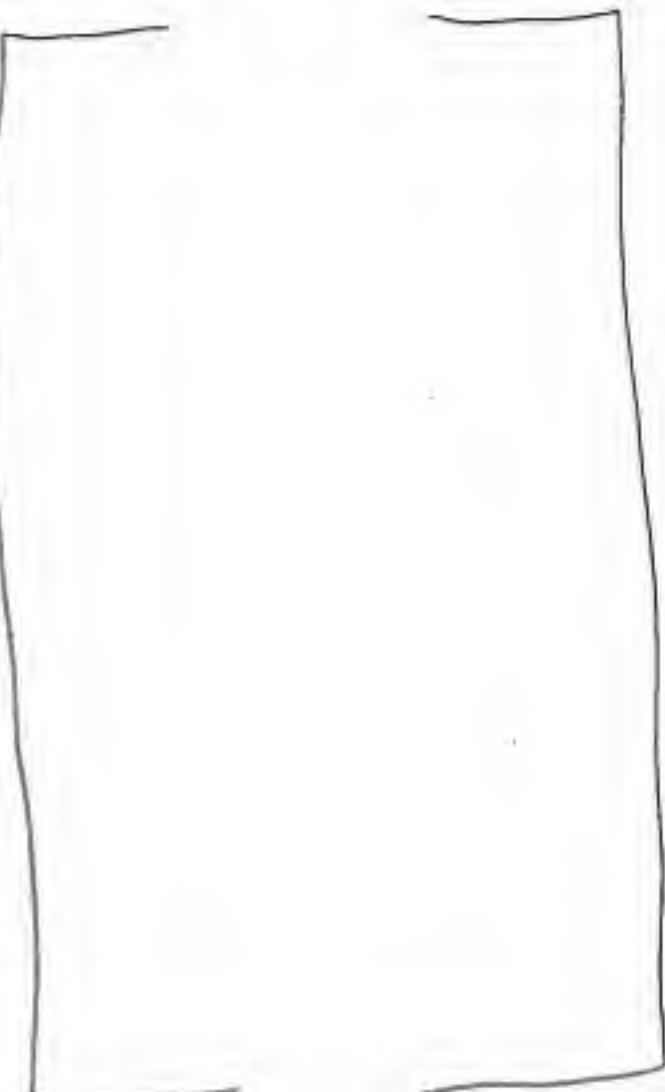
prevent it. The Soviets probably fear that allowing the Marxist government in Afghanistan to collapse would set a dangerous precedent and raise questions about their willingness to support Marxist regimes elsewhere.

Despite the reasons to stay, some Soviet officials have indicated to Western and Pakistani sources that the Kremlin would seriously consider withdrawing its forces if reasonable terms could be worked out that preserve the nature of the Afghan regime. Some of these officials have actually claimed that a decision to withdraw has already been made. They may have been referring to Gorbachev's July announcement of a limited withdrawal. We doubt that a decision on a full withdrawal has already been made.

The conflicting signals coming from the Soviets might simply be a smokescreen to ease international pressure on the USSR to withdraw. [

- They could also be a reflection of a belief that the more aggressive strategy against the insurgents, the replacement of former Afghan leader Babrak Karmal with Najib, and Moscow's more flexible approach to the UN "proximity talks" with Pakistan will eventually lead to a resolution of the Afghan problem that would permit a withdrawal of most Soviet forces. If so, the Soviets are likely to stick with this policy course, which would probably involve:
- More aggressive attempts to eradicate rebel bases of support within the country and across the border in Pakistan and Iran.
 - Intensive training of Afghan military and political cadres, coupled with a broader campaign to win domestic acceptance of the Najib regime.
 - Diplomatic and subversive efforts to weaken outside support for the insurgents (especially in Pakistan) and widen international acceptance of the Marxist regime.

Skillful implementation of such a policy could, in our view, lay the groundwork for the Soviets to remove a substantial part of their forces within two to three years, provided that Pakistan could be convinced to end its support for the rebels—an exceedingly difficult task.



What Moscow evidently hopes to achieve in Afghanistan, [] is the establishment of a regime as robust and secure as the one in Mongolia. If the Soviets eventually succeed, they will have extended the borders of the Soviet imperium and enhanced their ability to exercise influence in South and Southwest Asia. For at least the next few years, however,

Afghanistan is likely to remain a major headache for the Kremlin, whether or not the Soviets withdraw their forces.

Turkey

Strategically, Turkey is the most important country in the Middle East from Moscow's perspective. It is the only state in the region that is a NATO member and that grants US forces permanent basing rights. The Turkish armed forces are by far the largest in the Middle East, and Turkey controls the choke point to the Black Sea. A recent Soviet study of the Middle East claims that the United States has given Turkey:

the role of a "barrier," isolating the Soviet Union from territorial contiguity with the countries of the Arab East and from direct access to them, [and] the role of NATO's "guard," controlling the gate leading from the Black to the Mediterranean Sea.

Undermining the Link to Washington. Moscow has attempted to take advantage of Ankara's dissatisfaction with the level of US support since the 1960s. Turkey's anger over Washington's willingness to bargain away US missiles based on Turkish soil—without consulting Ankara—for the Soviet missiles Khrushchev placed in Cuba in 1962 and over US condemnation of Turkish moves during the crisis in Cyprus in 1964 led to the first warming of Soviet-Turkish relations in the postwar period. Moscow similarly capitalized on the US criticism of Turkey's military intervention in Cyprus in 1974 and the resulting US embargo of arms to Turkey. Turkish-Greek disputes over Cyprus and sovereignty in the Aegean also provide opportunities for the Soviets, but Moscow is constrained from moving too blatantly in using these disputes to woo Turkey away from NATO because of Soviet interests in cultivating Greece.

Soviet concern about Turkey's security ties to the United States has grown since the late 1970s. When Washington and Ankara were renegotiating their Defense and Economic Cooperation Agreement in 1979, *Krasnaya Zvezda* warned that in the event of another war: "Turkey, where a substantial number of

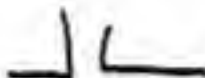
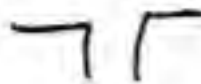
US military installations are located, could undergo the tragedy of Hiroshima."

More recently, the Soviets have issued the same type of warning to Turkey in their media over Ankara's alleged desire to participate in research under the US "Strategic Defense Initiative." Moscow also has shown concern over Turkey's potential usefulness to US military efforts in the Middle East. In December 1983 Vasily Safronchuk, then chief of the Soviet Foreign Ministry's Middle East Department, criticized the reported establishment of US "Rapid Deployment Force" bases in Turkey during an interview with a Turkish newspaper.

Current Status of Relations. Despite the harsh Soviet criticism of Turkey's security ties to the United States, Moscow—by and large—has succeeded in maintaining a stable, if not always cordial, relationship with the various regimes in Ankara during the past two decades. The height of Soviet-Turkish cooperation came in 1978 with the signing of a "Political Document on Good Neighborly and Friendly Cooperation." The military takeover in Ankara two years later led to a cooling of relations that lasted until 1984.

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Moscow and the Turkish Straits



The Bosphorus Strait, as viewed from the Topkapı Palace, Istanbul

A Soviet merchant ship passes under the Bosphorus Bridge, just north of Istanbul

Control over the Turkish Straits has been an objective of Russian rulers since Tsarist Russia became a Black Sea power in the late 18th century (see figure 8). Even after the Russians won the right from the Ottoman Turks in 1774 to navigate the Black Sea and pass through the Straits, Russia's southern fleet was confined to the Black Sea for all but two brief periods until the Treaty of Lausanne in 1921. Great Britain and France awarded Russia the Straits and Istanbul on paper in a secret treaty in 1915, and the USSR asked for the same in talks with Germany in 1940 to divide up Europe and the Middle East. Stalin made a final bid for control of the Straits at the end of World War II through appeals to his Allied partners for revision of the Montreux Convention of 1936 and, when those failed, through direct pressure on Turkey—also unsuccessful.

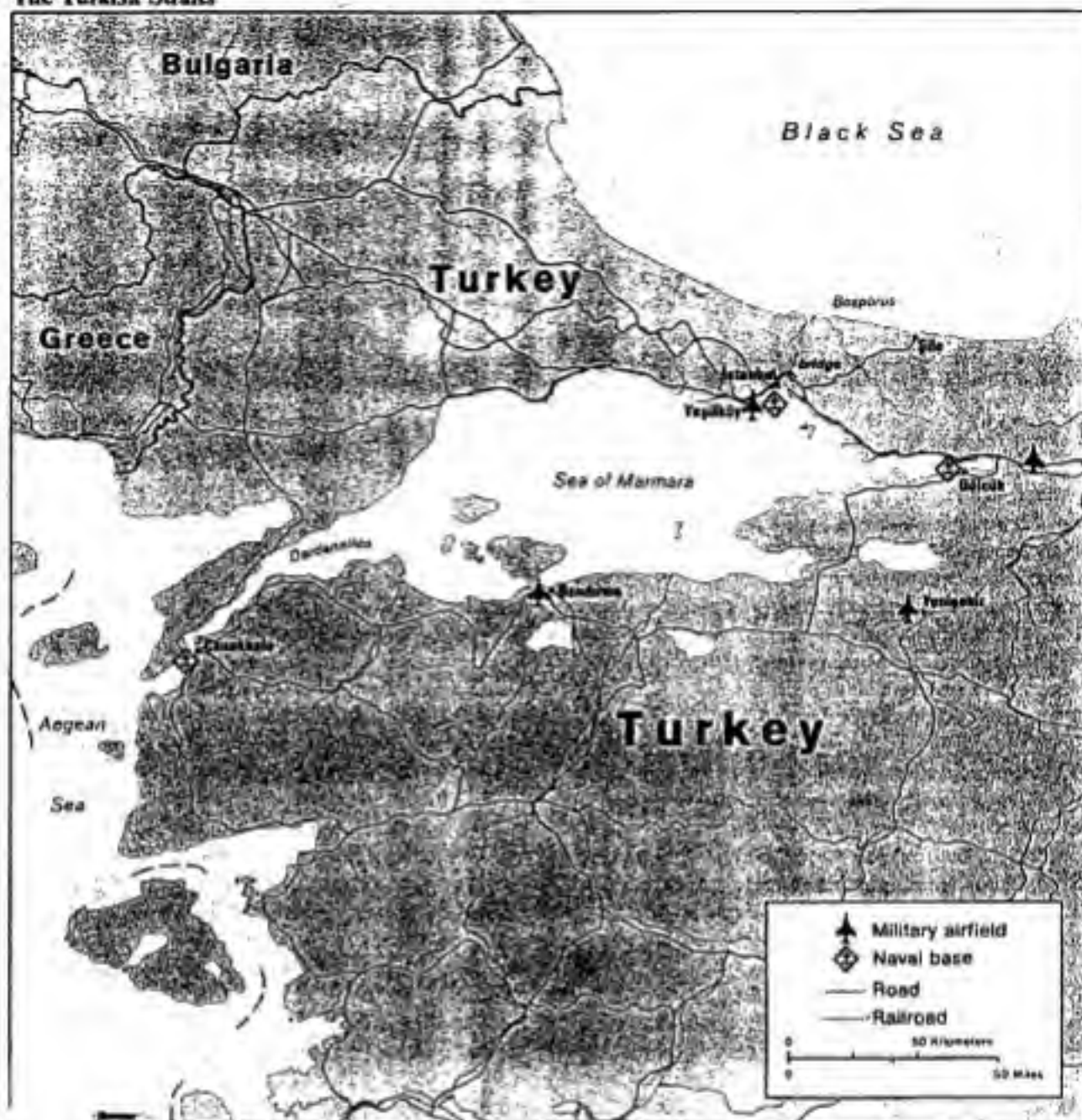
Turkish control of the Straits places restrictions on the movement of Soviet warships in and out of the Black Sea in peacetime and could bottle up Soviet naval and merchant ships in times of tensions or hostilities. The Montreux Convention requires that the Soviets provide the Turks eight days' notice before sending any warship over 10,000 tons through

the Straits, and only one may transit at a time. No Soviet aircraft carrier or submarine may transit, except, in the case of the latter, for repairs. Soviet civilian, but not military, aircraft are allowed to overfly the Straits.

Despite these restrictions, Moscow has managed to stretch and sometimes circumvent the Convention's provisions. For example, since the late 1960s the Soviets have made it a practice to declare transits of warships, whether or not they intend to use them. This allows them to augment their Mediterranean Flotilla more quickly in times of crisis. Moscow also has contended—and the Turks have accepted—that its Kiev-class aircraft carriers are actually antisubmarine warfare cruisers, thus enabling it to circumvent the ban on carrier transits. The Soviets also have flown military transport aircraft—claiming they were civilian flights—over Turkey to resupply clients in the Middle East and Africa. The Turks have reluctantly allowed such flights on a limited basis, possibly because of concern about Moscow's capability to restrict Turkish flights to Western Europe across Bulgaria.

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Figure 8
The Turkish Straits



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Former Soviet Premier Tikhonov's December 1984 visit to Ankara—the first by a Soviet leader in almost a decade—put the relationship back on a more cooperative course, although tensions remain. Soviet media commentary on the strictly bilateral aspects of the relationship has been more positive since the Tikhonov visit, as reflected most recently by their favorable coverage of Prime Minister Ozal's July 1986 visit to the USSR.

The economic sphere historically has been the most productive area of Soviet-Turkish relations. The focus of Tikhonov's 1984 trip was the signing of a trade agreement for the 1986-90 period that sets a target of \$6 billion in total trade between the two countries. Bilateral trade increased by 20 percent in 1985 according to official Soviet trade statistics.

Moscow has extended Ankara more credits—\$1.4 billion since 1958—than any other non-Communist country. To date, Turkey has drawn only about \$860 million of this amount, but it has used the aid to develop some important sectors of its economy. Soviet assistance has been crucial to construction of the Iskenderun iron and steel works (the largest in Turkey), the Seydischir aluminum smelting plant, and an oil refinery in Izmit. The Soviets have approximately 1,500 economic advisers and technicians working at

these and other facilities in Turkey. In February the two sides signed a 25-year natural gas agreement that calls for the USSR to provide Turkey a peak of 4 billion cubic meters annually by 1992. This would equal almost 90 percent of Turkey's natural gas needs and about 5 percent of its energy needs.

Soviet Assets for Subversion. Turkish authorities contend that Moscow was behind much of the ~~left-wing~~ terrorism that riddled Turkey in the middle and late 1970s.

They also continue to claim that the USSR and its allies are supporting the Kurdish insurgency in eastern Turkey.

We believe that Moscow maintains contacts with various Turkish left-wing and Kurdish extremist groups and has provided funding and probably some small-arms support through intermediaries.

It is also claimed that Etiler had given guerrilla training to a small group of Turkish Kurds and

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[there is also evidence that the Bulgarians have in the past smuggled small arms into Turkey, almost certainly with Moscow's acquiescence if not support. Although profitmaking is a motive and many of the arms apparently fall into the hands of rightwing terrorists, we believe the Soviets hope—at little risk or cost—to fuel opposition to the Turkish Government.

Soviet support, however, appears to have been relatively low level. Moscow, pursuing its traditional dual-track policy, apparently wants to be in a position to stoke the fires of Turkish internal unrest—which is indigenously generated—without damaging its state-to-state ties to the Turkish Government and provoking a confrontation with a NATO member.

The evidence of Soviet support for the Turkish Communist Party (TKP), in contrast to the circumstantial evidence of support for terrorist groups, is unquestionable. The USSR is the prime financial backer of the TKP, which follows the Moscow party line. The party, which has been illegal in Turkey since 1925, has its headquarters in East Berlin. With Soviet funding and technical assistance, the TKP operates two clandestine radio stations ("Our Radio" and "Voice of the Turkish Communist Party") out of East Germany that broadcast in Turkish to Turkey and Western Europe. The TKP, however, is a bit player in Turkey and has only a tiny following and a minimal ability to influence events there.

Continuing the Dual-Track Policy. The long-term nature of Turkish internal unrest, West European criticism of human rights abuses in Turkey, the rivalry between Turkey and Greece, the Cyprus problem, and Turkish doubts about the intensity of the US commitment to Turkey promise to continue to provide the Soviets with openings both to exploit Turkey's weaknesses and to try to woo it away from the Western alliance. With the success the military regime and the subsequent civilian government of Prime Minister Ozal have had in stabilizing the country

since 1980, the Soviets are likely to put more emphasis on improving state-to-state ties and less on subversion during the next five years, unless the internal situation suddenly deteriorates. They will continue to cultivate their clandestine assets, both as a hedge to the future and a reminder to Ankara that they can cause trouble. The Soviets almost certainly recognize, however, that Turkey continues to be a bulwark of NATO on the USSR's southern flank, and they are likely to act with appropriate restraint.

Totaling Up the Balance Sheet

This survey of Soviet policy has shown that the USSR's position in the Middle East today is strong in the northern tier and much less strong in the Arab-Israeli theater. Whereas Moscow has the edge over Washington in all of the northern tier except Turkey, the United States retains greater influence than the Soviet Union in most of the Levant, the Arabian Peninsula, and North Africa.

Moscow's influence in Syria, as well as in Libya and South Yemen, has not balanced its loss of influence in Egypt. The relationship with Syria—the USSR's most important in the Arab world—ensures Moscow a role in the region's central issue, the Arab-Israeli conflict. However, the Soviet position in the Arab-Israeli theater will remain inferior to that of the United States as long as Cairo maintains close ties to Washington, and it seems likely that—barring a major political upheaval in Egypt—those ties will continue to be strong during the rest of the 1980s.

The USSR is recognized as an important actor by most of the Arabs, who value its support for a Palestinian state. The pro-US Arab states also see relations, or at least contacts, with the Soviet Union as a useful tool to ensure that Washington does not take them for granted. For most of the Arabs, however, the USSR's atheistic ideology, aggressive penetration efforts, and invasion of Afghanistan are ample

reason to keep a certain distance. Even in the pro-Soviet states—the PDRY excepted—local Communist parties are either proscribed or thoroughly tamed, and the Soviets have shown little ability to sway the internal political order.

In the northern tier, the USSR has been able to exert major political influence only in Afghanistan. Despite decades of trying, the Soviets have had no success in the postwar period in steering political events inside Turkey and Iran. The Communist parties of both countries are illegal and have been—with the exception of the Tudeh in the 1940s—bit players in Turkish and Iranian politics.

Military power remains Moscow's strongest card in the region. The military forces the Soviets have deployed in the southern USSR opposite the Middle East, their naval and air operations in the Middle East, their willingness to use force in Afghanistan and deploy their own air defense forces in Syria, and their provision of large amounts of modern weapons to their clients all indicate that the USSR will be a force to be reckoned with in the Middle East for years to come.

Beyond the northern tier, however, the Soviets still cannot match the power-projection capabilities of the United States and its NATO allies, and, in fact, US improvements in this field since the late 1970s threaten to leave Moscow even further behind. The Soviet Union lacks the aircraft carriers or access to regional airbases necessary to operate fighter aircraft beyond the bordering regions of the southern USSR. Without fighter cover, the Soviets would not be able to mount a contested deployment of ground forces to the region or protect their Mediterranean Flotilla and Indian Ocean Squadron from Western carrier-based aircraft. The Soviets are working to remedy these deficiencies by developing full-size aircraft carriers and the capabilities for long-distance air refueling for their fighters. They are likely, however, to have only one of these new carriers by 1990, and they are still years away from perfecting long-distance fighter refueling.

Economically, the USSR continues to lag far behind the West, Japan, and now even increasingly active South Korea in the Middle East. For Moscow's

clients or countries such as Iraq, which are temporarily strapped for the hard currency to pay for Western goods, Soviet economic aid and bilateral trade are important. Even countries as close to the Soviets as South Yemen and Syria, however, have been dissatisfied with the level and quality of Soviet aid and have been looking to the West and Japan to provide the consumer goods, technology, hard currency, and know-how that the Soviet Union generally lacks. Thus, the gap between Soviet and Western/Japanese/South Korean involvement in the Middle East is likely to widen.

The Soviets still have trouble turning their military strength into commensurate political influence in the Middle East. They remain frozen out of discussions to resolve the Arab-Israeli dispute. Obtaining a voice in the peace process—which would signify acceptance by the United States and the regional states involved of a major Soviet political role in the Middle East—continues to be one of Moscow's major goals (see appendix B). The USSR's prospects of realizing that goal in the next five years are not good.

Impact of Future Developments

We believe the USSR's primary policy goals in the Middle East during the rest of the 1980s are likely to be:

- Consolidating control in Afghanistan.
- Blocking any US-sponsored Arab-Israeli peace settlement that leaves Moscow out and, optimally, regaining a Soviet voice in the peace process.
- Unifying the Arabs into a pro-Soviet front by ending the isolation of Moscow's Arab clients: Syria, Libya, and South Yemen.
- Stemming the drift of Algeria and Iraq toward lesser dependence on the USSR and closer ties to the United States.
- Expanding Soviet influence in Moscow's key Middle Eastern targets: Egypt and Iran.
- Eroding Turkey's security ties to Washington.

We have assessed Moscow's prospects for achieving these tasks and have concluded that in most cases they are not promising. Gorbachev's best chances for success seem to be in preventing a US-sponsored Arab-Israeli settlement, expanding influence in Egypt and Iran, and, possibly, consolidating control in Afghanistan. What remains to be examined are some developments that would have a major impact on Soviet policy in the region—as well as important implications for the United States—and prompt us to alter our assessments.

Positive Developments From Moscow's Perspective

Rapprochement Between Syria and Iraq

The Soviets have attempted for years to get Assad and Saddam to bury their differences, but with no success.

It flatly ruled out a Syrian-Iraqi reconciliation so long as both Assad and Saddam remain in power. A rapprochement between the two would be likely to strengthen the hardline Arabs vis-a-vis Israel and bolster opposition to a US-sponsored settlement of the Arab-Israeli question. The Soviets, too, would hope that Syria could draw Iraq closer to the USSR, although both Damascus and Baghdad would remain fiercely protective of their independence from Moscow.

Rapprochement Between Syria and Arafat

The Soviets have tried even harder to bring Assad and Arafat together—also to no avail. This development would almost certainly end US hopes of achieving resolution of the Palestinian question without Syrian or Soviet participation. It also would be likely to ensure that neither Jordan nor Egypt dominated the PLO. An Assad-Arafat rapprochement probably would lead to closer Soviet-PLO ties and might facilitate the Soviet proposal for an international conference on the Arab-Israeli question. That proposal stands no chance of going anywhere as long as Syria, Moscow's closest Arab ally, and the PLO, the representative of the people whose future is being negotiated, remain at odds.

Rapprochement Between Syria and Egypt

A Syrian-Egyptian detente based on anti-Israeli, anti-US policies would give more of a boost to Soviet fortunes in the Middle East than any other single development. Such a reconciliation, although unlikely any time soon, probably would lead to a significant improvement in Soviet ties to Egypt. It would not only end US hopes of achieving a settlement of the Palestinian question without Syrian and Soviet participation but also probably would lead to the unraveling of the Egyptian-Israeli peace settlement and revive the two-front threat to Israel.

Replacement of the Mubarak Regime in Egypt With a Neutral Regime

Such a development probably would lead to a sharp reduction or possibly to a cessation of US-Egyptian military cooperation and might result in Egypt's abandonment of the Camp David accords. Either step would be a major windfall for the Soviets, whether or not they were able to replace US influence in Cairo with their own. Moscow would step up its efforts toward that end, possibly offering to settle Egypt's military debt to the USSR on favorable terms and provide Cairo with major new weapon systems. The Soviets probably would encourage Syria and Libya to adopt a positive line toward the new regime in Cairo, hoping this would ease the way to better Soviet-Egyptian relations. If Damascus and Tripoli balked, however, Moscow would not be likely to be deterred from courting the new regime. The benefits from increased Soviet influence in Egypt probably would outweigh, in Soviet eyes, the costs of incurring Syrian and Libyan wrath.

Decision by Pakistan To End Support for Afghan Rebels

This would deal a shattering blow to the rebels. Although the insurgency would be likely to continue for at least a few more years, the Soviets probably could quickly ensure that the rebels would be no more than a nuisance. Moscow would be likely to bring the bulk of its forces home, while leaving a sizable contingent in Afghanistan. Iran probably would sharply curtail its support for the rebels, not wanting to bear the brunt of Soviet wrath alone.

Severe Instability in Turkey

Moscow probably would attempt via Bulgaria to resume funneling small arms to Turkish leftists, step up financial and propaganda support, and criticize the Turkish Government's efforts to control such instability and US support for Ankara's efforts. The Soviets, however, would act with prudence to avoid sparking a major US response.

Developments That Could Have a Mixed Impact on Soviet Interests

A New Syrian-Israeli War

This would be a wild card for Moscow. Washington's relations with the Arabs would stand to suffer unless they viewed US pressure on Israel as responsible for ending the fighting. The war would offer the Soviets the opportunity to bolster their stock with Syria and the Arabs as a whole by providing timely military resupply. And, no matter what their actual behavior during the war, the Soviets would move as they have after past wars to restock the Arab military inventory and increase Arab dependence on Soviet weapons. The Syrians might even agree, as they did after their defeat in Lebanon in 1982, to station Soviet combat forces in Syria.

At the same time, a Syrian-Israeli war would entail major risks for the USSR—the most serious being a US-Soviet military confrontation, something Moscow has always sought to avoid. Slightly less serious, but potentially more humiliating, would be a clash between Soviet forces sent to Syria and Israeli forces. The Soviets probably have a healthy respect for Israeli military prowess. [

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Moscow would also stand to lose if the Arabs perceived Soviet support to be insufficient, as they did in the 1967 and 1982 wars. Quick resupply of arms to the Arabs after the danger had passed rescued the Soviet position in those cases, but there is no guarantee that this strategy would work again. Moreover,

there is the risk that, should the United States prove successful in bringing about a cease-fire, the Syrians might come to view cooperation with Washington—as the Egyptians did after the 1973 war—as the best means of obtaining what they want from Israel.

An End to the War Between Iran and Iraq

The Soviets consistently have called for an end to the war, but they would be likely to view its cessation with mixed feelings. On the one hand, they probably would welcome an end to a major and unpredictable war on their border that has already had some favorable repercussions for the United States. A negotiated settlement would:

- Reduce the significance of one of the prime irritants in Soviet-Iranian relations—Moscow's weapon sales to Baghdad
- Probably make the Persian Gulf states less nervous about Iranian expansionism, decreasing their need and willingness to cooperate militarily with the United States.
- Possibly improve prospects for an Iraqi-Syrian rapprochement

An end to the war, however, would also carry potential liabilities for the Kremlin:

- We believe Iraq, without as acute a need for Soviet weaponry, would accelerate its diversification of weapon suppliers
- Iraq probably would further improve its relations with the United States as it looked to rebuild its economy after the war.
- Although a dramatic improvement in Iranian ties to Washington is only a remote possibility, Moscow might worry that the absence of the unifying factor of the war could weaken the present fundamentalist regime and bring in more pragmatic clerics, who might not be as averse to dealing with the United States
- Iran would have a freer hand to increase aid to Afghan insurgents

would have to worry that the new leaders could turn toward the West, which has the economic wherewithal to rebuild the war-damaged Iranian economy. A victorious Iran would undermine Soviet influence in Baghdad and probably make the Khomeini regime even less susceptible to Soviet inroads or pressure. Moreover, the Kremlin would not want to see an anti-Soviet Iranian regime, whose Islamic fundamentalism might potentially attract adherents among the USSR's own Muslims, spreading its influence beyond Iranian borders.

A Major Increase in Outside Support for the Afghan Rebels

This would compel the Soviets either to abandon their current strategy of shifting the burden of the fighting to the Afghan military or to risk the Marxist regime's collapse, which we believe they are not prepared to accept. A major expansion of Soviet involvement in the war against the rebels—possibly including increased cross-border raids into Pakistan—would carry significant political and economic costs. Moscow probably would come under heavy criticism from West European, Middle Eastern, and Third World governments. The increased Soviet involvement would especially complicate Soviet relations with China and India, not to mention the further chill it would have on US-Soviet relations.

US-Sponsored Talks Between Israel and a Jordanian-Palestinian Delegation

Although such talks today appear unlikely following the split between King Hussein and PLO leader Arafat, the two leaders could quickly reconcile. US success in working out a settlement of the Palestinian question without Soviet participation would be the most significant blow to Moscow's position in the Middle East since its loss of Egypt. The Kremlin, in our view, would go to great lengths to block the achievement of such a settlement. Soviet efforts would center on backing Syria's moves to intimidate its neighbors against reaching an agreement. Moscow probably would even provide military support for Syrian saber rattling aimed at Jordan or Israel, but the Soviets would advise Damascus against moves

Negative Developments From the Kremlin's Perspective

A Marked Expansion of the War Between Iran and Iraq

The greatest risk in this scenario is that a major threat to the flow of oil out of the Persian Gulf could prompt US military intervention. Such a move—whether protection for convoys of oil tankers or, in the most extreme case, occupation of Iranian territory—would pose significant difficulties for the Soviets. Beyond the immediate problem of deciding what kind of military response they would have to make, the Soviets would face the longer term prospect of an expanded US military presence in the Persian Gulf region. The conservative Gulf states almost certainly would look to Washington for protection.

The Soviets, in our view, also would not want either Iran or Iraq to emerge as a clear victor. Moscow has long preferred a relative balance between the two countries. If either state gained predominance, it would make it more difficult for the USSR to exert influence in the Persian Gulf region. A victorious Saddam would almost certainly be apt to act even more independently of Moscow than he does today. A defeated Iran would look for outside help. It might seek Soviet assistance, but, if the Khomeini regime collapsed as a result of losing the war, the Soviets

that would provoke a full-scale war with Israel or push Amman toward closer security cooperation with Washington. If these Soviet and Syrian efforts failed to prevent a settlement from being reached, Moscow almost certainly would work to subvert the accord. Even if the accord held together, the Soviets would not be likely to drop their opposition and recognize a US fait accompli during the next five years.

Death or Ouster of Assad

Soviet-Syrian relations have been close for over 30 years, and Moscow should be able to maintain its influence in Damascus after Assad's departure, provided the Ba'th Party remains in power. Any Syrian regime would have as its top priority the confrontation with Israel, for which Soviet military support is all but indispensable. Assad's successor probably would come from the military and therefore would be all the more likely to value ties to the USSR.

Assad, however, has brought 16 years of stability to a country that was previously unstable, and the Soviets would fear that his departure might lead to more instability. Assad's regime is based on the small Alawi minority, which might not be able to continue its dominance without his commanding presence. A contentious struggle for power in Syria or—less likely—the accession to power of a group that is not favorably disposed toward the USSR would seriously jeopardize Moscow's long-term investment in Syria and, thereby, the overall Soviet position in the Middle East.

It is scarce on whom among the current regime the Soviets regard as their favorite to succeed Assad. They have had long experience, however, dealing with the most likely candidates—Director of Military Intelligence Ali Duba, Chief of Air Force Intelligence Muhammad Khuli, Defense Minister Talas, Chief of Staff Shihabi, and Vice President Khaddam—and probably could adjust quickly to any of them as head of Syria.

The one current Syrian leader Moscow probably would not want to see succeed Assad is his brother, Vice President Rif'at Assad. Soviet officials have often noted their distrust of Rif'at.

Since the late 1970s, he has adopted a thinly veiled anti-Soviet posture, and Moscow is suspicious of his extensive Western contacts.

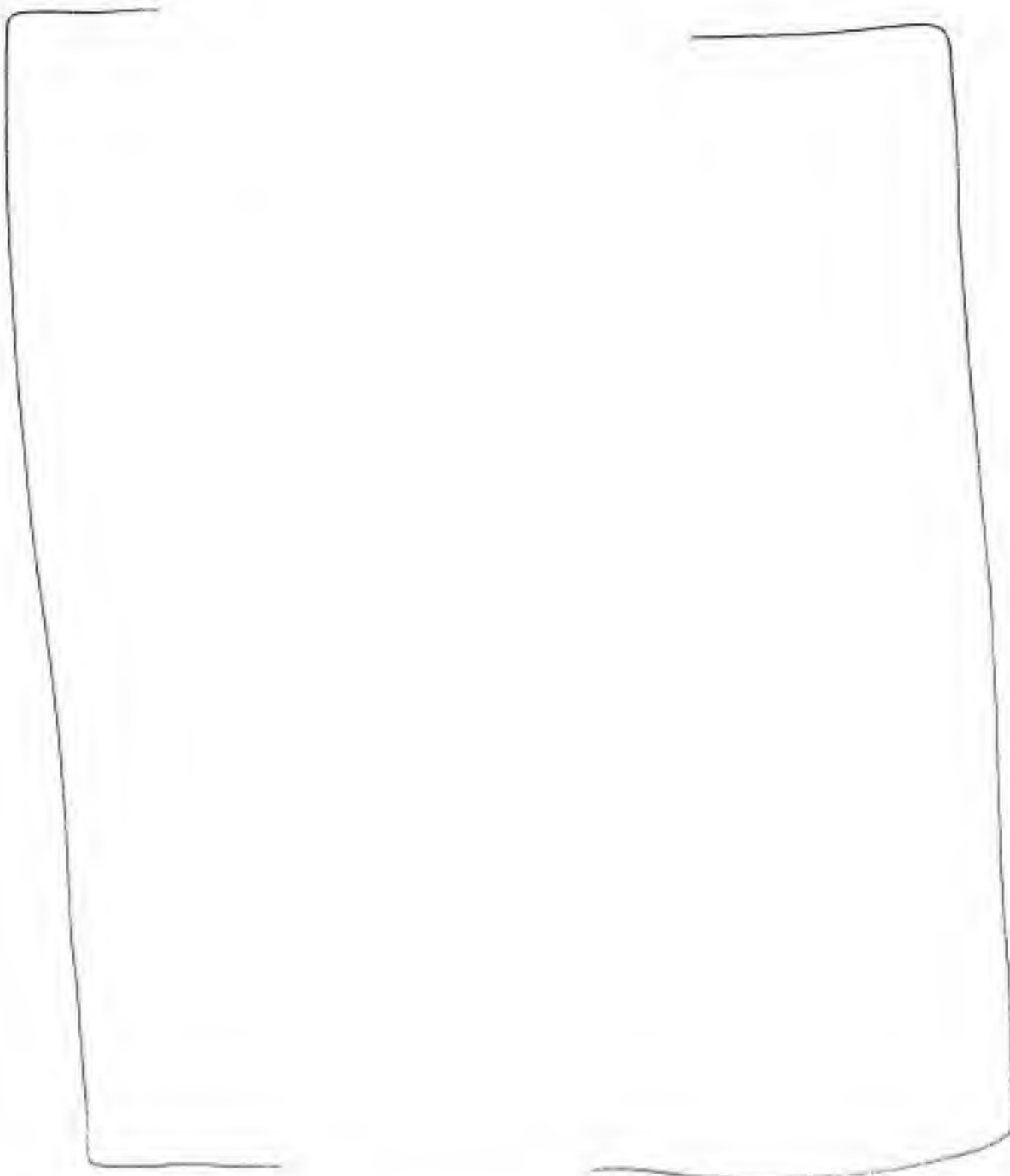
around the same time that the Soviets were pressuring Assad not to allow Rif'at to assume any significant post because they cannot work with him. At a minimum, Rif'at's accession to power would add a major degree of uncertainty to the Soviet-Syrian relationship.

Death or Ouster of Qadhafi

Moscow's relationship with Libya, more than any other in the Middle East, is dependent on one man. Qadhafi has revolutionized almost every aspect of Libyan Government and society and refashioned them in his own unique style. Without him, the odds would be against this system surviving for long in anything like its current form. Whether the Soviet position in Libya would survive the upheaval likely to follow Qadhafi's departure is an open question. Soviet officials have privately acknowledged:

As with Syria, the Soviets almost certainly would not be able to sway a Libyan succession, but the long-standing arms relationship will give whatever regime

~~Secret~~



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that comes to power in Tripoli reason to pause before reorienting its policy away from Moscow. For that reason, the Soviets probably would hope that a military man replaces Qadhafi.

The Soviet-Libyan relationship might survive the succession relatively well should Qadhafi's de facto second in command, Major Jallud, assume the reins of power and hold the country together (see inset). The Soviets have dealt with Jallud longer and more extensively than with any other Libyan leader.

The Soviets preferred Jallud because he was more moderate and predictable than Qadhafi. By 1982 the Soviets no longer put such high hopes on Jallud, but believed that his accession to power would nonetheless be welcomed by Moscow.

He would prefer Jallud as a successor.

A Major Drop in Soviet Oil Production

The slight increase in Soviet domestic oil production in 1986, which reversed a two-year decline, all but assures that the USSR will not become a net importer of oil during the next five years. The Soviets, however, have already increased their purchases of Middle Eastern oil in recent years (see table 5) and are likely to obtain even larger amounts throughout the rest of the 1980s.

Should the USSR's domestic oil production drop off much more sharply than we anticipate, the Soviets might become major consumers of Middle Eastern oil during the next five years. Such a development would give the Middle East even greater importance for Moscow and put the USSR in competition with the West and Japan for Middle Eastern oil.

¹¹ In most cases, the Soviets accept the oil as payment for arms and resell it to their oil customer.

The Soviets would face major problems in coping not only with decreasing hard currency earnings from oil sales—currently about 35 percent of total Soviet annual hard currency earnings—but also in coming up with the countertrade or, as a last resort, hard currency to pay for oil imports. Moscow probably would attempt to increase arms sales to OPEC countries to finance the oil, but those countries can only absorb so many weapons, and their hard currency reserves have dropped markedly since the early 1986 decline in the world price of oil. There are few other commodities the Soviets could offer to trade for the oil, but they might attempt to expand their participation in economic development projects in the Middle East, accepting oil as payment for their services.

The USSR would have added incentive to improve relations with Iran and Saudi Arabia—two of the countries that have the reserve capacity for meeting the oil needs of the Soviets and their East European allies.¹² The Soviets might decide to adopt a more conciliatory policy toward Iran even while Khomeini remained in power, and they would be likely to work harder for normalized relations with Saudi Arabia. This need for oil would not force the Soviets to forgo opportunities to increase their influence in those countries and erode that of the United States. But Moscow would be likely to pursue those opportunities more cautiously while adopting a friendly posture toward the Iranian and Saudi Governments.

We do not believe the Soviets' need for oil would prompt them to try to seize Middle Eastern supplies during the next five years. Even if such considerations as the military and economic costs involved in conquering Iran, for example, and the risks of sparking a war with the United States are put aside, the cost of ruling the country would far outweigh that of buying

¹² The Soviet oil production drop would hit Moscow's East European allies especially hard. All but Romania are overwhelmingly dependent on Soviet supplies. Politically, the Soviets could not allow their allies' economies to collapse and would have to keep providing some oil.

Table 5
Soviet Purchases of
Middle Eastern Crude Oil, 1980-85 *

Thousand b/d

	1980	1981	1982	1983	1984	1985
Libya	34	34	119	118	125	96
Iraq	36	0	2	46	77	65
Algeria	0	0	0	0	15	29
Saudi Arabia *	0	0	0	21	38	48
Iran	0	45	18	44	25	15
Syria	5	6	14	15	10	9
Oman	0	0	0	0	1	2
Total	75	85	153	244	291	264

* Derived from official Soviet trade statistics.

* Saudi Arabia sells crude to the USSR on behalf of Iraq.

the oil. Such a move would be a military-strategic gain, but it could not be justified nor prompted by economic need.

Impact of Trends in Overall US-Soviet Relations

We believe the USSR will continue to pursue its longstanding strategic interests in the Middle East regardless of the state of US-Soviet relations. The central position the US-Soviet rivalry holds in Moscow's policy toward the Middle East, however, means that improvement or deterioration of the overall relationship between Moscow and Washington can have major consequences for that policy.

Improvement

A revival of US-Soviet detente will not necessarily prompt the Kremlin to moderate its behavior in the Middle East because Moscow highly values potential gains in the region for their own sake and sees them as furthering its position in the superpower competition with Washington. Detente did not prevent the Soviets during the October 1973 war from mounting a massive arms resupply effort for their Arab allies and threatening to intervene unilaterally in the closing moment.

The most direct impact a US-Soviet detente is likely to have on Moscow's policy in the Middle East is in prompting the Soviets to intensify their efforts to be included in regional negotiations. The USSR almost certainly would center its efforts on convincing the United States to return to a joint US-Soviet initiative to resolve the Arab-Israeli dispute, preferably an international conference chaired by Washington and Moscow. To obtain US approval for such a course, the Soviets—under these conditions—might be willing to reestablish relations with Israel and attempt to convince Syria and the PLO to attend such a conference.

In an atmosphere of detente, the Soviets might give greater consideration to the impact their arms sales could have on regional stability. The USSR refrained from giving the Egyptians all they wanted in the early 1970s and might do so again with its current regional arms clients if it believed that the sale of a particular weapons system risked sparking an Arab-Israeli clash that could damage US-Soviet relations and if it believed Washington would act with similar restraint. The Soviets probably would be less worried about US-Soviet tensions over the Middle East than about the effect this might have on other, more important, areas of the bilateral relationship. They would want to avoid, for instance, a repeat of the effect their invasion of Afghanistan in 1979 had on East-West relations. It tilted the balance in Congress against ratification of the SALT II Treaty and steered NATO's determination to proceed with the deployment of intermediate-range missiles in Western Europe.

Moscow also would be likely to refloat a host of proposals designed to limit superpower arms sales and military deployments in the region—such as the Brezhnev Proposal of 1980 banning military bases in the Persian Gulf region, the plan to limit naval deployments in the Mediterranean Sea and Indian Ocean, and schemes for nuclear- and chemical-weapons-free zones. Of course, Moscow would design such proposals to have only minimal restrictions on its own military activities, but it might agree to some limitations if an overall agreement hindered US ability to deploy military power in the Middle East.

Deterioration

Soviet behavior in the Middle East since the decline of detente in the mid-1970s—including the invasion of Afghanistan, deployment of Soviet air defense forces to Syria, sale of increasingly more lethal arms to regional clients, and constant fanning of anti-US and anti-Israeli sentiment among Middle Eastern states—gives an indication of the types of actions Moscow could take if US-Soviet relations deteriorate further. The Soviets, for example, might press harder for Syria, Libya, and South Yemen to grant permanent naval and air bases to Soviet forces. They also might provide those countries and other regional clients with the latest and longest range versions of Soviet weapons complete with all of the most sophisticated electronics they often withhold. In addition, they could urge OPEC states to embargo oil sales to the West and step up aid to insurgents and opposition groups in pro-US countries.

Soviet behavior would still be constrained by objective factors, such as the risks of a major Arab-Israeli war, Israel's military superiority, and US advantages over the USSR in deploying forces to most of the region. In a period of deteriorating US-Soviet relations, however, Moscow almost certainly would be more apt to exploit rather than work to control regional crises.

Appendix A

Overview of Soviet Involvement in the Middle East Before 1970

When the history of Soviet and US involvement in the Middle East is compared, it is easy to see why the Soviets often view the Americans as upstarts. The United States has been directly involved in the Middle East for roughly half a century; the USSR and its Russian predecessors for more than a millenium. The first "Russian" involvement in the area occurred in 860, when a Kievan Rus army briefly laid seige to Constantinople, the capital of the Byzantine Empire, which encompassed much of what is today the Middle East. "Russia" and "Turkey" battled each other many more times over the centuries. From 1676 to 1914, alone, the Russian and Ottoman Empires fought 11 wars. During the same period, the Tsar's also fought three wars with Iraq

Beginning in the late 18th century, with the decline of both the Ottoman and Persian realms, Great Britain became Russia's main rival for influence in the Middle East. The Russians and the British, in seeking to expand and protect their empires, vied for predominant influence in Afghanistan, Iran, and the Ottoman Empire, which held nominal sway over the Levant, North Africa, and the western rim of the Arabian peninsula. The growing power of Germany in both Europe and the Middle East prompted Russia and Britain to cooperate in the region during the last decade of Tsarist rule, but the traditional rivalry reemerged after the Bolsheviks took power in 1917.

Despite the Bolsheviks' revolutionary rhetoric about igniting the colonial East against its "imperialist oppressors," the USSR under Lenin and Stalin exerted influence only in the northern tier borderlands. Khrushchev claims in his memoirs that Stalin considered the Arab world a British sphere of influence. Stalin believed that the USSR was too weak militarily in the region to challenge British hegemony, and indeed it was.

World War II, however, created new opportunities. As the captured German documents from Nazi-Soviet negotiations of November 1940 indicate, Moscow hoped to supplant Great Britain as the predominant power in the Middle East. At the war's end, Stalin used the Soviet Army's occupation of northern Iran to establish "people's republics" in the Kurdish and Azeri regions. He also attempted through direct threats to obtain from Turkey a military base on the Straits and the return to the Soviet Union of two provinces in eastern Turkey that the Bolsheviks had coded in 1921. Strong resistance by the Iranian and Turkish Governments and by the United States and Britain foiled each attempt and prompted Stalin to return to a conservative strategy in the region.

The most significant legacy of World War II for the Middle East was the weakening of the main colonial powers of the region, Britain and France. This development eventually led to the emergence of independent and strongly nationalistic regimes in the Arab world that distrusted the West and were willing to cooperate with the USSR.

1955-67

The Soviets were not ready to take advantage of this opening until 1955. By then Stalin and his ideological aversion to dealing with local nationalists in the Third World were gone, and a confluence of interest had emerged among the USSR, Egypt, and Syria aimed at undermining the alliance system the United States and Britain were establishing in the region—the Baghdad Pact. Egypt's Nasser opposed the pact because he saw it aimed at splitting the Arabs and isolating his regime. The Soviets opposed it as another link in the Western alliance system along their borders and as an impediment to the expansion of their influence in the Arab world. Khrushchev was pragmatic enough to recognize the opportunity and devise

court the Iraqis—much to the displeasure of Nasser, who considered the Qasim regime a major rival. By the early 1960s, however, it had become clear that Marxist influence would not last in Iraq, and the Soviets accordingly paid more attention to cultivating Egypt and Syria.

In the northern tier, the Soviets abandoned Stalin's heavyhanded attempts to expand Moscow's influence and instead developed relatively extensive ties first to the Afghans, then the Turks, and finally to the Iranians. Ankara and Tehran remained closely linked to Washington but were receptive to improving relations with their powerful northern neighbor. The regime in Kabul, ruling a country that was geographically isolated and without links to another great power, was ripe for Soviet cultivation. Afghanistan remained nonaligned but was drawn closer and closer to Moscow.

a strategy to capitalize on it. The Soviets developed links to most Arab countries in the mid-1950s, but, as one prominent Western scholar of Soviet Middle Eastern policy wrote, the key to Soviet success in the Middle East after 1955 was not

a "correct Marxist-Leninist appraisal," nor loans or credits, nor very cunning diplomacy. Moscow did not gatecrash; it was invited to become a major Middle Eastern power by Egypt and Syria.

The Soviets patiently increased their influence in the Arab world between 1955 and 1967. They were aided by such events as the Anglo-French collaboration with Israel in attacking Egypt in 1956 and the anti-Western backlash this fueled among the Arabs, and the overthrow of the pro-British monarchy in Iraq in 1958, which removed the only Arab country from the Baghdad Pact.¹ The radical new regime in Baghdad appeared for a time to offer the best opportunity to the Soviets for leftist, perhaps even Communist, influence in the region, and Moscow moved quickly to

1967-70

The massive defeat the Arabs suffered at the hands of Israel in the June 1967 war prompted them to move much closer to the USSR. The trend was most pronounced in Egypt, where Nasser put aside his earlier reservations about the Soviets and invited them in to rebuild and retrain his armed forces.

The Egyptian facilities the Soviets were allowed to use during 1967-72 gave Moscow the widest military access in the Middle East it has ever enjoyed. The

¹ Walter Laqueur, *The Struggle for the Middle East* (Belmont: Penguin Books, 1972), p. 127.

² After Iraq's pullout, the alliance was reorganized as the Central Treaty Organization (CENTO), composed of Turkey, Iran, Pakistan, Britain, and the United States.

Mediterranean Squadron gained extensive access to Egyptian ports and anchorages, and the Soviets established in Egypt their only naval aviation unit at the time outside the USSR. The unit eventually comprised naval reconnaissance, antisubmarine warfare, intelligence collection, and strike aircraft—significantly enhancing Moscow's capabilities to monitor US and NATO forces in the Mediterranean.

During 1967-70, the Soviets exerted more influence on Egyptian domestic policy than they ever have, before or since. Former Egyptian Foreign Minister Ismail Fahmy claims in his memoirs that the Soviet Ambassador in Cairo at the time played "a more influential role in Egypt than even Lord Cromer had during the early years of British Colonial rule." The Soviets looked favorably on the "progressive" changes Nasser implemented, especially the growing influence he gave the ruling Arab Socialist Union, which was led by the staunchly pro-Soviet Ali Sabry. Moscow may have even believed, judging from a study on Egypt by two of the USSR's leading Middle East watchers, that Nasser was gradually moving in his last years toward acceptance of "scientific socialism." Whether or not he was, his death in September 1970 made the question moot and marked the beginning of the decline of Soviet influence in the Arab world.

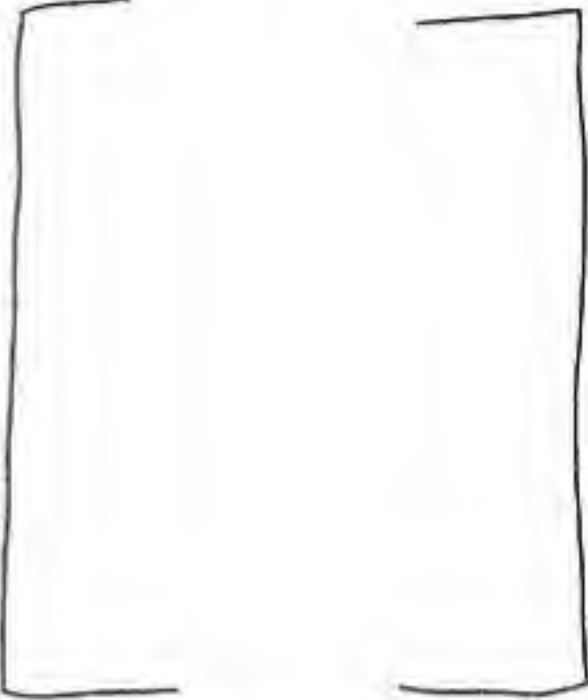
Appendix B

Moscow and the Arab-Israeli Peace Process

Soviet officials recognize that the Arab-Israeli conflict has been and is likely to remain the central issue in the Middle East. We believe the Soviets do not view the Arab-Israeli peace process as an end in itself but as a means to enhance their influence in the Middle East, especially at the expense of the United States. Moscow realizes US support for Israel is the major obstacle to improved US-Arab ties and that the Arab-Israeli dispute increases the receptivity of the Arabs to Soviet military and political backing. The Soviets do not necessarily want to solve a problem that has brought them substantial benefits but almost certainly would support a settlement that satisfied their Arab allies and institutionalized a Soviet role in the region.

The Soviet Union has been a participant in the peace process since the creation of the Israeli state and the first Arab-Israeli war in 1948. As the USSR expanded its presence in the region from the mid-1950s on, it played increasingly influential roles in negotiating the cease-fires that ended the Arab-Israeli conflicts in 1956, 1967, 1970, and 1973. Despite these efforts, the Soviets have been unable to sustain their influence in the peace process much past the end of each war. When the Arab states that Moscow had armed sought to develop the cease-fires into a genuine political settlement, they turned to the United States because of Washington's leverage with Israel.

Moscow's specific diplomatic goal has been to obtain a seat at the Arab-Israeli negotiating table as a coequal of Washington. It achieved this briefly in 1969-70, in December 1973 at the Geneva Conference, and—on paper—in an agreement with the United States in October 1977. Regaining such a role would be an acknowledgment by the United States and the states in the region of the Soviet Union's "legitimate role" in the Middle East. More concretely, it would enhance the Soviets' ability to block any US-sponsored settlement they believed harmful to their interests.



The Soviets repeatedly call both publicly and privately for a return to US-Soviet cooperation on the peace process and for a reconvened international conference. Senior Soviet Middle Eastern specialist Primakov's most recent book displays indignation at Washington's "betrayal" of the agreement between the United States and the Soviet Union in October 1977 to reconvene the Geneva Conference on the Arab-Israeli question. A TASS commentator noted that President Reagan's omission of the Middle East—during an address at the United Nations in October 1985—from his list of regional conflicts that the superpowers could jointly resolve was indicative of Washington's unilateral departure from "the joint Soviet-American accords on a Middle East settlement."

The Soviets have issued numerous Arab-Israeli peace proposals over the years. Their July 1984 plan contains the most detailed elaboration Moscow has issued of the mechanics of an international conference (see inset). The provisions closely follow the Kremlin's plan for the Geneva Conference of December 1973 but

29 July 1984 Soviet Proposal for an Arab-Israeli Peace Settlement *

The following six "principles" should be negotiated at an international conference:

1. Israeli withdrawal from all Arab territories seized in 1967 and after; recognition of inviolability of new borders; dismantlement of Israeli settlements established on Arab land after 1967.
2. Creation of a Palestinian state on the West Bank and Gaza Strip; a short transition phase during which the United Nations administers the territories is acceptable; the new state has the right to form a confederation.
3. Incorporation of East Jerusalem into the new Palestinian state.
4. All states in the region guaranteed the right to a secure and independent existence and development.
5. An end to the state of war between Israel and the Arab states, and a commitment by all parties to respect each other's sovereignty, independence, and territorial integrity and to resolve disputes peacefully.
6. Guarantee of the settlement by the permanent members of the UN Security Council or the Council as a whole. The Soviet Union is ready to participate in such guarantees.

The conference would be attended by Israel, Syria, Egypt, Jordan, Lebanon, the PLO, the United States, the USSR, and by "some" other states from the Middle East and from "areas adjoining it" capable of making a "positive contribution."

* Boldface points were not in Soviet's previous proposal, 15 September 1982.

appear aimed at preventing what happened then, when Washington outmaneuvered the Soviets and brokered separate Israeli-Egyptian and Israeli-Syrian agreements.

The views of its Arab allies are a major constraint on the USSR's maneuverability with respect to a peace settlement. Moscow has made some attempts in the past to moderate the positions of its allies:

It claims that the Soviets were genuinely trying to influence the Arabs toward agreeing to a peace settlement with Israel in the late 1960s and early 1970s.

It indicates that the Soviets tried repeatedly—and unsuccessfully—in 1967 to convince Syria to accept UN Security Council Resolution 242 as a basis for resolving the Arab-Israeli dispute. They were similarly unable to convince Damascus to attend the Geneva Conference in 1973 or support its reconvening in 1977.

Moscow pressed Baghdad hard in the early 1970s to accept UN Resolution 242.

- Senior PLO official Khalil Wazir noted in an interview with a Kuwaiti newspaper in March 1986 that the "Soviet Union has asked us since 1968 to recognize" resolutions 242 and 338.

It indicates that the Soviets suggested that PLO recognition of Israel's right to exist would facilitate attainment of Palestinian objectives in the peace process. The Soviets continue to advise the PLO leader to accept resolutions 242 and 338 and Israel's right to exist unconditionally.

The USSR, however, has shown it is not willing to press its Arab allies too hard or get too far out in front of them in the peace process. In 1969, for example, Egypt tentatively accepted a UN proposal for indirect negotiations with Israel, and the Soviets informed the United States that this framework might be acceptable to them.

When Nasser subsequently changed his mind, Moscow similarly reversed its position in discussions with US officials.

The Soviets, if they obtained a significant role in a peace conference, might again attempt to moderate their allies' positions. We believe, however, that the Soviet Union does not possess the leverage to make Syria and the PLO sign an agreement that did not meet their objectives, and it would not risk damaging bilateral relations—especially with Damascus—by pushing them too hard on the issue.

The Situation Today

The agreement between Jordan's King Hussein and PLO leader Arafat on 11 February 1985 to form a joint delegation for peace talks once again threatened to leave the USSR on the sidelines of the peace process. The Reagan Plan of September 1982 called for just such a joint Jordanian-Palestinian delegation to enter direct peace talks with Israel. Soviet criticism of the Arafat-Hussein agreement was direct and strong, and Moscow loudly applauded Hussein's abandonment of the agreement in February 1986.

The Kremlin may be encouraged by the wider support its plan for an international conference has received. Now virtually all of the Arabs—save Libya and Iraq—have endorsed the idea, although with widely varying degrees of enthusiasm. Even the United States and Israel have dropped their total opposition to attending some form of international conference at which the USSR is present. The Soviets, however, remain skeptical about Washington's and Tel Aviv's change of heart.

Moscow's latest scheme for getting its foot in the door of Arab-Israeli negotiations—via a preparatory conference for the formal international conference—is likely to go the way of past Soviet gambits. The idea

first raised by Gorbachev in July 1986

was given formal public endorsement by Shevardnadze in his speech to the United Nations in September.

the Soviets had no clear ideas on such a preparatory conference.

Among Moscow's Arab friends, the Syrians, as usual, have been the coolest toward the scheme. Although Soviet media stated that Shevardnadze and Syrian Foreign Minister Shara' discussed the Soviet proposal for a preparatory conference during their meeting at the United Nations in September, Syrian media made no mention of it. The key stumblingblocks for Damascus remain the participation in any conference on the Arab-Israeli dispute, whether preparatory or not, of Israel and Yasir Arafat's wing of the PLO. The Soviets are no closer to loosening the Syrian knot. Until they do, there will be no international conference along the lines they propose, even if Israel and the United States acquiesce in the Soviet plan.

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Appendix C

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Appendix D

Soviet Ambassadors to Middle Eastern Countries

Country	Ambassador	Assumed Post	Replaced (Assumed Post)
Afghanistan	Pavel Mozhayev	August 1986	Firkyat Tabeyev (1979)
Algeria	Vasily Taratou	April 1983	Vasily Rykov (1975)
Bahrain	(no diplomatic relations)		
Egypt	Gennadiy Zhuravlev	September 1986	Aleksandr Belonogov (1984)
Iran	Vil Boldyrev	May 1982	Vladimir Vinogradov (1977)
Iraq	Viktor Minin	March 1982	Anatoliy Burkovskiy (1973)
Israel	(Moscow broke relations in June 1967)		
Jordan	Aleksandr Zinchuk	February 1985	Rafik Nishanov (1978)
Kuwait	(Post vacant since October 1986)		Pugov Akopov (1983)
Lebanon	Vasily Koltusha	May 1986	Aleksandr Soldatov (1974)
Libya	Pugov Akopov	October 1986	Oleg Peresypkin (1984)
Mauritania	Leonid Kumogorov	November 1986	Ivan Spitskiy (1981)
Morocco	Malik Fazylov	December 1983	Yevgeniy Nersisyan (1978)
Oman	Aleksandr Zinchuk	May 1986	First ambassador (also ambassador to Jordan, resides in Jordan)
Qatar	(no diplomatic relations)		
Saudi Arabia	(no resident ambassador since mid-1930s)		
Sudan	Yevgeniy Muryko	October 1983	Vladislav Zhukov (1978)
Syria	Aleksandr Dzasukhov	October 1986	Feliks Fedotov (1984)
Tunisia	Vladimir Sobchenko	November 1986	Vsevolod Kizichenko (1981)
Turkey	Vladimir Laxov	October 1983	Aleksey Rodionov (1974)
UAE	Feliks Fedotov	October 1986	First ambassador
Yemen, North	Anatoliy Filov	August 1984	Oleg Peresypkin (1980)
Yemen, South	Albert Rakhlov	July 1986	Vladislav Zhukov (1982)

Appendix E

Estimated Numbers of Soviet Personnel in the Middle East, 1986












Country	Diplomatic (Not Including Dependents)	Military * (Advisers and Technicians)	Economic (Advisers and Technicians)	Total
Afghanistan	130	2,000	5,000	7,130
Algeria	80	800	6,000	6,880
Bahrain	0	0	0	0
Egypt	170	0	200	370
Iran	40	0	1,400	1,440
Iraq	50	1,000	5,500	6,550
Israel *	0	0	0	0
Jordan	20	50	0	70
Kuwait	40	20	0	60
Lebanon	40	0	0	40
Libya	50	2,000	5,000	7,050
Mauritania	20	0	0	20
Morocco	120	0	175	295
Oman	0	0	0	0
Qatar	0	0	0	0
Saudi Arabia	0	0	0	0
Sudan	70	0	0	20
Syria	90	3,000	1,000	4,090
Tunisia	130	0	240	370
Turkey	150	0	1,500	1,650
UAE	20	0	10	20
Yemen, North	150	500	175	825
Yemen, South	50	1,000	550	1,580
Total	1,350	10,370	26,750	38,470

* In addition, there are approximately 116,000 Soviet combat troops in Afghanistan, and there are 400 troops in independent Soviet military units in Syria and 300 in South Yemen.

* Although there are no official Soviet Government representatives in Israel, the Soviet-controlled Moscow Patriarchate of the Russian Orthodox Church has a shura or so officially in Jerusalem administering the properties it has held since the 18th century.

† indicates that some of these "personnel" are in fact KGB officers.

Figure 10
Major Soviet Weapon Systems
Delivered to Syria Since 1982

Air Defense Systems	Description	Introduced in Soviet Forces in Syria	Description	Introduced in Soviet Forces in Syria
SA-3		[]	Long-range (240-275 km), high-altitude SAM. Primary Soviet strategic defense against US bombers.	[]
SA-4		[]	Mobile, low-to-medium altitude, medium-range (24 km) SAM with improved ECCM.	[]
SA-6		[]	Mobile, low-altitude, short-range (12 km) SAM. Used by ground forces and for point defense.	[]
SA-13		[]	Low altitude, short-range (7 km) SAM. Tracked and possibly improved version of older wheeled SA-9.	[]
SA-14		[]	Improved shoulder-fired SAM with rocket infrared guidance to overcome target head-on.	[]
MiG-23 Flogger C		[]	Tactical fighter. Syrian Navy latest version (MiG-23C) used in Soviet operational territory.	[]
MiG-25 Foxbat E		[]	Advanced interceptor with improved airborne intercept radar. Has limited capability to track targets flying below it.	[]
T-72 MBT		[]	Probably the best NATO has designated the T-72 (44 1981/7). Equipped with laser rangefinders and probably thicker frontal armor. May be vulnerable only to the latest and heaviest Western antitank systems.	[]
65-27		[]	Tactical surface-to-surface missile with effective range of approximately 70 km. Capable of firing nuclear, chemical, high explosive, or improved conventional warheads. Syrians probably provided with latter two.	[]
Electronic Warfare Equipment			Electronic sea link for ground-based air defense. Jam Russian electronic warfare equipment. Possibly operated by Syrians.	[]
ECM-equipped helicopter		[]	ECM-equipped helicopter for airborne jamming. Probably maintained by Syrians.	[]
SSC-1B		[]	An anti-ship cruise missile on mobile launchers for coastal defense with a range of up to 100 km.	[]
SSC-3		[]	Anti-ship cruise missile on mobile launchers for coastal defense with a range of 80 km.	[]

Note: This report is preliminary as of November 1986.

Figure 11
Ethnic Groups in Southern Soviet Union and Neighboring Middle Eastern Countries



Figure 12
Soviet Theater Forces in Areas Adjacent to Iran, November 1986

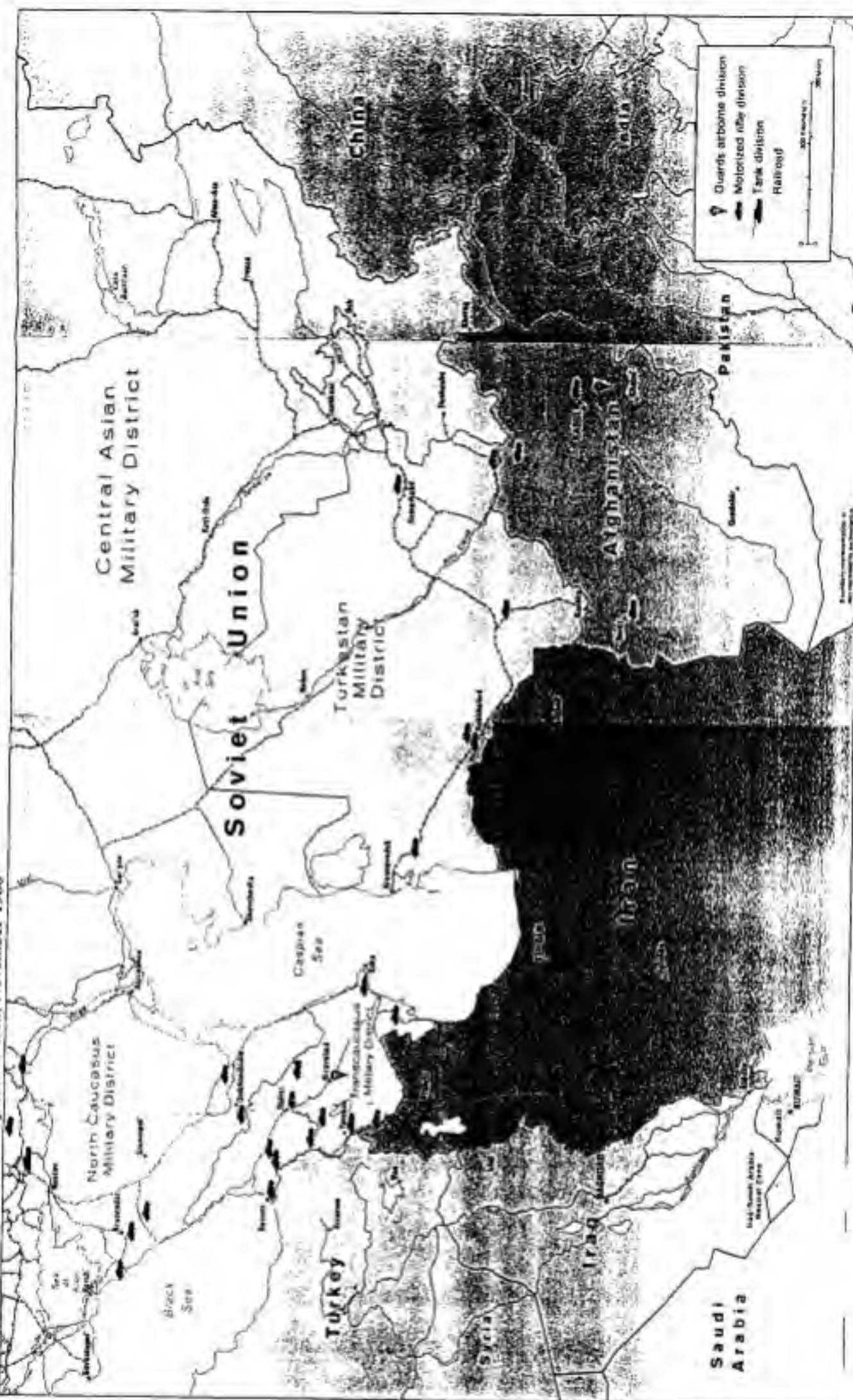


Figure 14
The Middle East

